THE Freeman

IDEAS ON LIBERTY

JANUARY 1964

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THE Freeman

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PLAY STORE ECONOMICS

DEAN RUSSELL

THE "father of the Tennessee Valley Authority," Senator George Norris, once said: "A proposal from a great association of Tennessee says, in effect, 'Let TVA property be subject to taxation the same as everybody else's property.' . . . If we go to that extreme, Senators can see that the TVA would be out of business in three months."

Senator Norris was wrong. There is no more reason why the Tennessee Valley Authority should go broke with its annual real loss than there is that the United States Post Office must go out of business with its staggering yearly deficit. There is no necessary relationship in either instance between their production costs and their selling prices. In fact, there can't be any such relationship; for as we shall see, government planners have no possible way of ever knowing the *complete* costs of their projects. Since they can't calculate their full real costs, obviously they can't set asking prices that are economically realistic. And since they can't set realistic prices, the resulting allocation of scarce resources is necessarily inefficient.

I had read about this basic economic problem of "socialist calculation" in my college textbooks, but I never fully understood the arbitrary and unrealistic nature of nonmarket pricing and alloca-

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tion of resources until I began "playing store" with my five-year-old son. We started our game by making a generous supply of price tags to correspond with the "play money" he already owned. Then he was given a roll of scotch tape and asked to put prices on all his merchandise, or scarce resources. And like any other manager who doesn't have to worry about costs and prices that are set by competition in a market economy, my son's price selections were remarkable.

In his enthusiasm for our game, the youngster had appropriated his mother's jewelry box and priced all the items in it, along with his own toys. I quickly bought back her engagement ring for thirty cents. He was somewhat disappointed when I refused to buy a fascinating charm bracelet at $300. And he was completely heartbroken when I passed up his favorite cloth dog at $500.

Actually, the only reason you and I can understand my son's unrealistic pricing is because we live in an economy in which prices (and the resulting allocation of resources) are still mostly determined by competition and consumer choice. If this were not so – if you and I lived in the arbitrary play world of socialist production and pricing – it is doubtful that we could do much better.

Without Market Guides, Pricing Must Be Arbitrary

Perhaps I shouldn't have, but I decided to try to explain to that youngster about production costs and product prices and how they serve as guides for resource allocation (what to produce) in a market economy. But at age five, he didn't understand my economic explanations – any more than do the adults who price electricity for the Tennessee Valley Authority or for similar projects in Russia.

In all three cases – play store in my basement, communism in Russia, and socialism in Tennessee – the price setters *always* select whatever prices suit their whims at the moment. There is no automatic economic mechanism to decree otherwise. For even when the consumers are permitted a choice (and choose not to buy at all), this does not in any way necessarily affect the continued existence of the government project. If the project were *privately* owned, however, of course it would go bankrupt and the resources would be converted to the production of a product more in demand by the consumers.

That engagement ring in my basement play store was a real bargain, as is electricity in Tennessee. For reasons I can only guess at, TVA electricity is *priced*

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well below the prevailing rates charged by privately owned companies in adjoining areas; the real *cost* of producing it, however, is considerably higher. How much higher, neither I nor the TVA managers have any positive way of knowing.

For example, the planners of TVA can never know the real or market value of the various private electric companies and lands they acquired by "eminent domain" (or the threat thereof) when they moved into Tennessee with their philosophy of common ownership of the means of producing electricity. While our American courts still do the best they can in assigning prices to confiscated property, in the final analysis it is still an arbitrary decision. By its nature, the procedure of judicial pricing of capital assets is still necessarily somewhat similar to that followed by my five-year-old son in *his* play store, outside of the real market economy.

But in contrast to my young son, the managers of the Tennessee Valley Authority claim they *do* use realistic cost accounting and a double-entry system of bookkeeping. Thus, from the very beginning, they were faced with the problem of what interest rate (if any) to charge against TVA for the arbitrarily selected capital expenditures finally recorded in their books as a cost of producing electricity.

Capital Costs

In a realistic market situation where persons are free to choose, this issue presents no pricing or allocation problem to a businessman; he records in the cost column whatever it cost him to borrow the capital. Even when the businessman uses his own capital instead of borrowing it, he knows that there is still a real "alternate opportunity" interest cost – that is, he could have loaned his capital to someone else at 5 per cent interest, with comparatively little risk of losing it. Thus, if a businessman can't earn more than the prevailing interest rate on the capital invested in his own business, clearly he has misallocated his resources; and he should choose another profession.

The managers of the Tennessee Valley Authority are not bound by this realistic market procedure. Even so, for some unknown reason, they did (and still do) record a low interest charge against *a small segment* of the hundreds-of-millions-of-dollars that were spent on the electrical part of that project. Why only a part, and why only at a rate that is well below the interest cost that even our largest private utilities must pay

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when they borrow money? Well, the decision was made on much the same basis that my five-year-old son decided to charge $500 for his toy dog; he could do as he pleased without fear of competition or bankruptcy in his play store, and that happened to be what pleased him at the moment. He doubtless had his reasons, just as the managers of the Tennessee Valley Authority had their reasons for their actions, including their recent and confusing procedure of selling revenue bonds that are necessarily guaranteed by the taxing powers of the federal government of which TVA is a department. That "solution" proves nothing about the economic merit of TVA; it merely measures the purchaser's appraisal of the government's ability to collect taxes.

Also, it never entered my son's mind to charge a price that would cover the rent on the house in which he was playing store – just as our government officials gave no consideration whatever to the cost of the unknown millions of man-hours of labor that were expended by various other government departments and agencies on the Tennessee Valley Authority. Yet, *someone* paid – and is still paying – that unknown and unrecorded cost.

In their efforts to convince the American people that government ownership is cheaper and more productive than private ownership, the planners of the Tennessee Valley Authority decided that TVA should not pay taxes to the federal government, or even record the existence of such a social cost. Why? I don't know.

The Taxpayer Is Liable

In a socialist economic system – and in a basement play store – it doesn't really make much difference one way or the other. Whatever the taxes and interest cost of the capital are or should be – and regardless of whether or not those costs are recorded – the price of the product is still always whatever the planners want it to be. There is absolutely nothing in a socialist economy, either in theory or practice, to decree otherwise.

If you write to the Tennessee Valley Authority and ask them if their rates for electricity can be used as a valid measurement for the rates charged by private companies, the reply will be, in effect, "Certainly." Ordinarily, that reply will be sent to you in a franked envelope! No government enterprise ever has to worry about increases in the cost of postage or taxes. Nor must they fret about securing additional capital; they have a seemingly inexhaustible

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source (you, the taxpayer) at absolutely no cost or risk to any manager of a socialized project.

Actually, this is not the fault of the managers of government projects, either in Tennessee or Russia. For even if they did want to record the full cost, there just isn't any realistic way to determine it for a project that is backed by the taxing and police powers of government. The very best that the manager of such a command operation can do is to observe what the costs are for similar products and services in a competitive market of investor and consumer choice, and then record similar costs against the government project. To some extent, TVA has followed that procedure. But in a *totally* socialized world, the economy would degenerate into utter chaos in the relatively few years it would take the managers to forget the realistic relationships between costs and prices that had served to allocate resources in the once free market.

No Basis for Comparison

If you doubt this, imagine that the entire world has finally been organized on the Russian, Chinese, Tennessee Valley Authority idea of government ownership and operation of the means of production – *all* production. And imagine that, as has been the case in Russia for many years, *no* person can own or sell or rent land, machinery, or any other capital equipment. Literally, there is not (and cannot be) a market price for any of them under their economic system. Now imagine that you are suddenly in charge of allocating the vacant land in a large city to its most productive use – that is, to the use that will satisfy the most urgently felt wants of consumers in general.

Since your decision as "chief land allocator" must necessarily be made arbitrarily and without consulting the consumers, will you choose to allocate the land to office buildings or to the growing of beets? Office buildings, you say? Well, why? In the absence of a market for land and capital, how can you know that the consumers (the people in general) would rather have the land used for office buildings than beets? The land is not for sale or rent in a socialized economy where private ownership and use are automatically forbidden. Thus no one can bid on it for those or any other uses. And thus there is no rational or effective economic mechanism that consumers can use to inform the planners of their preferences.

In a market economy of private ownership, however, the most desirable use for the land (and other means of production) can be,

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and is, quickly decided by the highest bidder. If the beet grower outbids the office builder, the land is used for beets. If he has miscalculated and can't at least cover his total costs by the sale of his product to willing buyers who have freedom of choice, he goes broke – and some other person who is searching for profit-making opportunities replaces him and produces whatever product *he* thinks the consumers will buy. Thus the consumers, by their buying or abstention from buying, will make sure that the land is used for a purpose that pleases them.

But under total socialism, there is no price and no market for any capital good, including land. No person is free to produce what he thinks the consumers would prefer. Thus all land, all natural resources, all building materials, and all capital of any description must be arbitrarily assigned to whatever purpose happens to please the planner. Literally, there is no other alternative in a command economy.

Even when prices are assigned to the final products that consumers are permitted to buy (as is now generally the practice in Russia), this does not determine the amount or type of production. While the Russian planners sometimes double consumer prices overnight, or even cut them in half, those political maneuvers and whims have no bearing at all on what will be included in the next five-year plan. Those decisions are made on other grounds.

Anyone's Guess

In a market economy, however, a price rise is a signal to consumers to consume less of that product, and to producers to produce more of it. But under government ownership, prices are always arbitrary and usually capricious. Under socialism, prices serve merely as a distribution device that the planners have found easier to administer than a system of ration coupons. In the final analysis, they have no choice but to assign the prices somewhat as my five-year-old youngster set them in his play store.

Again, this is not the fault of any particular socialist. By its nature, government ownership and production cannot possibly operate in any way except arbitrarily. That's why the Russian government assigns, or knowingly permits, a considerable amount of vegetable farming to be done within the city limits of Moscow, by persons who still live in log cabins.

My guess (based on the real actions of producers and consumers in a market economy) is that farming would not be done in Moscow,

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if the land were privately owned and if producers and consumers had a real choice in the matter. I will also guess that those log cabins without plumbing would have disappeared long ago in a free market. But I'll admit it's only a guess; for no one can possibly know how the land and building resources in Moscow would have been allocated by a free people, freely choosing.

Nor can we positively know that the once-privately-owned steam generating plants in Tennessee would have continued forever to be the cheapest and most efficient way to produce electricity. The evidence is clear, however, that steam was generally cheaper than hydro when our American planners forced the change from one to the other. The incontestable proof of it is that private investors who were searching for the lowest production costs – and thus the highest profits – almost always chose steam generation in Tennessee.

Change by Decree

The only possible way to find rational answers to economic questions such as these is to put the resources up for sale and see how the buyers use them. The reason that "apartment and office" type land in Moscow is still used for vegetable production is because the government officials just happen to want it used for that purpose. The fact that, economically speaking, such arbitrary allocation of resources is probably irrational should surprise no one. It can't very well be otherwise. But even the communist planners are finally reaching the conclusion that the construction of most of those mammoth hydroelectric projects all across Russia was a serious misallocation of scarce resources that could have been better used for other purposes.

Nikita Khrushchev and his Minister of Power for Plant Construction, I. T. Novikov, recently decreed that future emphasis in socialist planning will be on steam generators rather than hydroelectric construction. Perhaps they were influenced somewhat by Professor Z. F. Chukhanov (Corresponding Member of the USSR Academy of Sciences) and various other Russian economists who are increasingly inching toward the market economy processes. In a publication approved by the Russian government,[1] Mr. Chukhanov recently claimed that the communist hydroelectric program has been a waste of billions of rubles' worth of resources because of the planners' failure to charge against those projects the total "social

[1] *Teploenergetika*, No. 12, pp. 7-12, 1961.

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costs" involved. Marxian dogma forced him to use the euphemism "social costs" for the economic realities that, in a market economy, are determined by interest, profits, and other allocation guideposts that have been repudiated in communist theory.

Does Professor Chukhanov really know that those hydroelectric projects have been a waste of resources? No, he is only guessing. All he really said is that if he were running that arbitrary play store economy, he would do it differently. And he then advanced still another arbitrary "mathematical solution" to the economic problem of how to allocate scarce resources to their most efficient uses in a nonmarket economy.

The only thing that can be said in favor of his particular addition to the "simultaneous equations" and similar mathematical approaches is that his is at least understandable. In effect, he claims that the industry that is allocated the most capital for expansion should be charged the highest "social cost" – that is, alternate opportunity cost, or interest in the broadest sense. For example, he points out that hydroelectric capacity has been increasing at an annual rate of 13 per cent in Russia. He then arbitrarily recommends that 13 per cent of the total new investment in hydroelectric construction should be recorded as an *additional* charge against that industry as a proper cost of capital, or "social cost." That's a pretty steep rate of interest! Is 13 per cent a rational guess as to the real cost of capital in Russia? No one knows, including Professor Chukhanov.

Anyway, even if his scheme is adopted by the Russian central planning board, that unusually high rate of return cannot attract new capital into electricity production; investment decisions in Russia are made arbitrarily by the planners, and for reasons that are seldom concerned with return on capital. Thus, their capital or resource allocations cannot possibly be any more rational than are the decisions by our own United States planners to build more dams to water more deserts to grow more food to be bought by more government agents to be stored in more subsidized and surplus ships. Prices and costs and economic reality are no more related in those schemes than they were in that basement play store that was so happily presided over by my five-year-old son.

Refer to the Market

In several of his speeches over the past four years, Mr. Khrushchev has casually identified the only possible way by which his

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planners can rationally allocate resources in a socialist economy – that is, by observing what happens in the nonsocialist economies and then following along behind. For example, he recently pointed out that private investors in the United States have been investing less capital in steel production and more capital in the production of plastics. So, announced Mr. Khrushchev, the Russian planners will do likewise.[2]

A Most Tricky Problem

But suppose there were no market economy for him to observe? How could he then possibly know which should have priority? To that question, an economist friend of mine once replied: "All this nonsense about the socialist planners being unable to make rational economic calculations is just that – nonsense. Why, all they need do to determine real prices, and thus to have a rational guide for allocating resources, is to add up their costs and then price the products accordingly."

Astoundingly enough, that economist seems unaware that a cost is always a price, and that it is impossible to add up prices that don't exist in order to determine what an asking price should be.

Another person once said to me: "The Russian planners can always assign prices to their consumer products and then work backwards in order to establish relative costs, and thus to properly allocate their basic resources." But since those arbitrarily assigned consumer prices could not possibly be related to land and capital costs in the first place, it is astounding to imagine that they can be related in the second place.

A graduate student of mine once wrote: "But the socialist managers could *act like* competition existed. In that way, free-market-type prices could be determined, and thus resources could be allocated in much the same way as in a market economy." As a young idealist, perhaps that student shouldn't be expected to understand that persons never "act like" in real life; they always choose among the *realities* that face them. It is hardly surprising that socialist managers choose to do what they are told to do.

In short, the mental processes of the intelligentsia in the United States have been so conditioned by realistic free market procedures that most of us are incapable of even *thinking about* the idea of an economic system without an automatic pricing mechanism to allocate scarce resources and to determine what will and will not be produced.

[2] *The Wall Street Journal*, article by Edmund Faltermayer, March 4, 1963.

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As another of many examples of unrealistic socialist play store economics, the Russian planners have generally neglected to record a difference in land value (rent) between a factory in the middle of Moscow and a similar factory in distant Siberia. Under government ownership and socialist production, there can be no such thing as a realistic rental price to serve as a guide for the best use of land. But the only way you and I can know that such socialist practices are economically irrational is because we can compare the results against those of the market economy of choice. Otherwise, we too might well imagine that the area around Broadway and Wall Street should be allocated to the growing of wheat. Why not? After all, it is closer to the New York market than is Kansas. And as the socialist planners are quick to point out, everyone already knows that food is more important than office buildings. So there is no particular need to consult the consumers about it.

Signs of Recognition

Since, under a socialist system, I couldn't do any better than the communist planners, I can only marvel that the Russian level of living is perhaps as much as one-third of our own. The only way I can account for any economic progress there at all is to assume that the Russian planners generally base their "play store" cost accounting and production practices on the realistic costs and prices set in the comparatively free markets that still exist in most nations.

In fact, a direct and unusual admission of this procedure has recently been published by two leading professors of the Central Planning School in Poland.[3] They first explain that the customary allocation of resources in socialist nations is done by what they call "direct economic calculation" – that is, by the "technical coordination" of specific machines, raw materials, and labor to produce whatever it is the Central Planning Board wants produced. While prices are usually arbitrarily assigned to these resources *after* they have been allocated, they play no part whatever in determining what will be produced. Then the two planning professors said: "The best methods of producing a given output cannot be chosen [by this socialist direct economic calculation] but are taken from outside the system . . . . i.e., methods of production used in the past, or so-called 'advanced' methods of

[3] Aleksy Wakar and Janusz Zielinski, "Socialist Operational Price Systems," *The Journal of the American Economic Association*, March, 1963, p. 109.

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production, usually taken from the practice of more advanced countries and used as data for plan-building by the [socialist] country under consideration."

Well, there you have it, directly from the communist planners themselves – they base their calculations on the data supplied by free market nations. (Since they refer to "so-called advanced methods" in a derogatory sense, obviously the reference is not to Russia.) True enough, by "trial and error" procedures, the planners can learn from their own mistakes that one way of producing something is technically more efficient than another way. But since consumers have no choice in the matter, the planners can never really know if the particular project *itself* represents the best or most efficient use of the resources in the first place. Only a market economy can supply that type of information.

If the socialists ever take over the entire world, let us hope they will be intelligent enough to leave one country with a market economy of private ownership wherein consumers can direct production and allocation of resources by their buying and abstention from buying. Otherwise, the planners soon will be faced with the baffling problem in a socialist world of whether or not to allocate platinum to the production of nose rings for pigs. But, of course, if socialists were intelligent enough to understand the vital need for some rational, uncoerced, and automatic way to allocate resources according to consumer preferences, they wouldn't be planners in the first place.

Why Not Make It Free?

And so it is with our own Tennessee Valley Authority. That project has unquestionably been a fearful waste of scarce resources, and probably still is. But some considerable semblance of reality exists in its bookkeeping and production procedures because the managers can still be guided in their decisions by the prices for the products and services they buy in the market economy around them. They know what privately owned electric companies pay for labor and equipment, as well as what they charge for electricity. Thus, the TVA managers have a realistic guide for setting their own rates. The fact that they choose to set their rates considerably lower than the rates of private companies is hardly surprising; after all, that was the purpose for building the project in the first place. They could just as well have set them at five times the prevailing rate, or at one-half the prevailing rate, or made it free.

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It wouldn't make any real difference because there is no necessary relationship between their costs and prices anyway.

True enough, their prices are doubtless more realistic than my son's price of thirty cents for his mother's engagement ring. But we can't know how much more realistic since consumers and investors have no real choice concerning TVA policies in practice. At least my son couldn't force me to pay $500 for his favorite toy. But I have no choice at all about paying whatever the government says I must pay as my share of the cost of the Tennessee Valley Authority that we all own in common.

But, it might be said, the natives in Tennessee are quite happy with their low rates and lovely lakes. I have no reason to doubt that claim. And when my son's playmates heard about his store, they were happy indeed to give him their business – especially when he most generously supplied many of them with the "money" with which to buy the stuff. When I put a sudden stop to that popular practice, various childish voices accused me of being mean. Fortunately, however, their parents understood my actions when I closed down that bargain basement. But when I tried to explain to the parents themselves that perhaps the same economic and moral principles apply to various similar government projects, most of them immediately joined their children in calling me mean.

In fact, one parent decided to set me straight with this observation: "You claim that the socialist planners are necessarily less efficient than private owners in a market economy. Then how do you explain the fact that the Russian planners put the first man into space?"

Shoot the Moon!

There are several possible answers, including the obvious one that this man-in-space program is also a socialized project here in the United States. So perhaps it could be said that the Russians are still better socialists than we Americans, although we are catching up fast.

I have already explained as best I can how the Russians take full advantage of all the production and allocating processes of the market economies that still exist in most of the world. In addition, in many respects the Russians now appear to be increasingly inching toward the competitive market processes within their own economy. For example, the proposal by Professor Y. G. Liberman of Kharkov Engineering and

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Economics Institute that "profits" should be the primary yardstick for judging factory efficiency is now being openly discussed among Russian officials. I don't quite see how they can install and manage a realistic profit system in a socialist economy. But if they can do it even partially, that market guidepost will naturally insure more and better production in Russia.

Even so, our comparatively free market economy is, on the whole, still vastly more efficient than the Russian planned economy. Based on their obvious and easily observable inferiority in housing, food, clothing, transportation, and such, perhaps our economy is as much as 50 per cent more efficient, although the figure might be 30 or 70 per cent. Thus, if the Russians wish to excel us in any given area, they simply allocate two or three times as much labor and capital as we do to the selected project. In the area of rockets and the training of scientists, it seems reasonably certain that they have followed that procedure. Thus, they are seemingly ahead of us in the space race – at the alternate opportunity or social cost of a level of living for the Russian people that is only about one-third of our own.

Finally, in no sense is my discussion of this issue to be taken as an "attack" against the persons in charge of these various socialized projects – either in Russia or Tennessee. To the best of my knowledge, the management of the Tennessee Valley Authority is comparatively good. Actually, I don't know who the managers of any of these projects are, in Tennessee or elsewhere. Nor do I care. I am here discussing an *idea*. Further, I assume that in case of war with Russia, the managers of the Tennessee Valley Authority will be as willing to fight and die for our country as you and I are. Unfortunately, however, the vital issue of the controlled economy versus the market economy will probably be decided long before that battle is ever joined – and then it will be too late; for in the long run, it is ideas (not battles) that decide the fate of mankind.

If the Tennessee Valley Authority represents the best system for the production of electricity, we have no real quarrel with the Russian socialists, and a war would be rather pointless. But if private ownership of the means of production is preferable, then we do have a real issue – not so much with the Russians as with the millions of sincere and patriotic Americans who are happily choosing the controlled economy of democratic socialism instead of the market economy of private ownership. ◈

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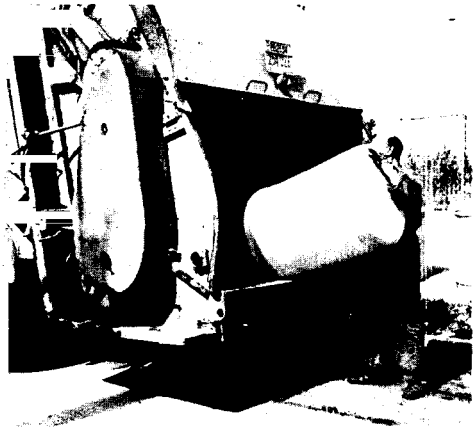

BIG WARS from Little Errors Grow

E. W. DYKES

A FRIEND recently chided us libertarians for being so engrossed in "pursuing our busy little seminars on whether or not to demunicipalize the garbage collectors" that we tend to ignore the most vital problem of our time: war and peace.

Well, I'm not so sure. On the assumption that the "garbage issue" is more fundamental than the "war issue," I take up the gauntlet exactly as our friend has flung it down.

War – like many other of today's problems – is the culmination of the breaking of libertarian principles, not once, but thousands of times. We are challenged to jump in at this point and apply our principles to get out of the unholy mess resulting from years and years of errors on errors. The challenge might just as well have been put in terms like this: "You are a second lieutenant. Your platoon is surrounded. Your ammunition is gone. Two of your squad leaders are dead, the third severely wounded. Now, Mr. Libertarian, let's see you get out of this one with your little seminars."

My answer: "Demunicipalize the garbage service."

Now, wait, before you cross me off as a nut. I have a point. That second lieutenant is a goner. And so is the prospect of lasting peace until man learns *why* it is wrong

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to municipalize the garbage service. You can't apply libertarian principles to wrong things at their culmination and expect to make much sense or progress. You have to start back at the very beginning, and that is precisely what our little seminars are for. There are people who build for tomorrow, others who build for a year, some who look forward a generation. The libertarian, a part of "the remnant," takes the long view – forward to the time when war will be looked upon as we now look upon cannibalism, a thing of the past. And believe me, unless someone takes the long view, wars will continue.

Suppose a group of doctors in a meeting on cancer prevention decide to do with cancer as the state proposes to do with war: "Outlaw it." What chance would the doctors have? None. And precisely for the same reason that the state can't outlaw war: They don't know what causes it.

I think I know what causes war. In an unpublished article called "War, the Social Cancer," I developed the thesis that war is the malignancy resulting from the growth of interventionism, which invariably becomes uncontrolled, once started. Without interventionism – starting way back with things like the garbage service – war simply *cannot* happen.

Is There a Faster Way?

What do we do in our little seminars? We make the case for freedom, which cannot coexist with interventionism. Slow? Of course, painfully slow. But who can really say and prove there is a better – or faster – way?

I suppose, in a way, we can be thankful – so long as wars persist – that there are men willing to tell my son how, when, and where he will fight. I am not willing to be a party to telling their sons what they will do, because that would mean abandoning my position. Probably, in a world at this stage of evolution, there have to be both kinds. I can guarantee at least one who disavows initiated violence, but only if I hold fast to that position myself.

Depend on it, this view always will be scorned by those who cannot look past tomorrow. You may also depend on it that a time will come when the little seminars will bear fruit. Listen to Albert Jay Nock:

> The fascination and the despair of the historian, as he looks back upon Isaiah's Jewry, upon Plato's Athens, or upon Rome of the Antonines, is the hope of discovering and laying bare the "substratum of right-thinking and well-doing" which he knows must have existed somewhere in those societies because no

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kind of collective life can possibly go on without it. He finds tantalizing intimations of it here and there in many places, as in the Greek Anthology, in the scrapbook of Aulus Gellius, in the poems of Ausonius, and in the brief and touching tribute, *Bene merenti,* bestowed upon the unknown occupants of Roman tombs. But these are vague and fragmentary; they lead him nowhere in his search for some kind of measure of this substratum, but merely testify to what he already knows *a priori* – that the substratum did somewhere exist. Where it was, how substantial it was, what its power of self-assertion and resistance was – of all this they tell him nothing.

Similarly, when the historian of two thousand years hence, or two hundred years, looks over the available testimony to the quality of our civilization and tries to get any kind of clear, competent evidence concerning the substratum of right-thinking and well-doing which he knows must have been here, he will have a devil of a time finding it. When he has assembled all he can get and has made even a minimum allowance for speciousness, vagueness, and confusion of motive, he will sadly acknowledge that his net result is simply nothing. A Remnant were here, building a substratum like coral insects – so much he knows – but he will find nothing to put him on the track of who and where and how many they were and what their work was like.[1]

Now, turn to William Graham Sumner:

If we can acquire a science of society, based on observation of phenomena and study of forces, we may hope to gain some ground slowly toward the elimination of old errors and the re-establishment of a sound and natural social order. Whatever we gain that way will be by growth, never in the world by any reconstruction of society on the plan of some enthusiastic social architect. The latter is only repeating the old error over again, and postponing all our chances of real improvement. Society needs first of all to be freed from these meddlers – that is, to be let alone. Here we are, then, once more back at the old doctrine – *Laissez faire.* Let us translate it into blunt English, and it will read, Mind your own business.[2]

Again I say: We will never end wars if we do not, at the minimum, understand why the garbage service should be removed from the jurisdiction of the police force, that is – government. ◈

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[1] Albert J. Nock, "Isaiah's Job" from *Free Speech and Plain Language* (William Morrow & Company, 1937).

[2] William Graham Sumner, *What Social Classes Owe to Each Other* (Harper & Brothers, 1883).

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The Greatest Family in History

The Medici set an example that survives after 500 years.

FRED DEARMOND

TO THE AMERICAN VISITOR who cherishes a sense of the historic, the literary, and the artistic, Florence, Italy, is one of the most radiant cities in the world. The splendor of its Palazzo Vecchio, its famous il Duomo or Cathedral, its priceless art galleries, unrivaled statues, churches, libraries, and palaces are fairly breath-taking. Florence is one great monument to the Athens of the West, which flourished five-hundred years ago.

It takes superior men and women to build a civilization, and they were the most astonishing product of Renaissance Florence. The roll of Florentine genius in the fifteenth, and parts of the fourteenth and sixteenth centuries, dwarfs anything else in the whole pageant of human history. To name but a few, and not necessarily the greatest, Florence in that period gave to the world in the fine arts: Leonardo da Vinci, Michelangelo, Giotto, Verocchio, Brunelleschi, Donatello, Ghiberti, Masaccio, Ghirlandajo, Fra Angelico, Del Sarto; in literature: Petrarch, Dante, Boccaccio, Machiavelli, Guicciardini, Pulci, Pico della Mirandola. And we could go

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on naming scientists, philosophers, theologians, statesmen, men of business – all of whom endowed future ages with their genius.

The great Spanish thinker, Ortega y Gasset, ascribed the decay of Spain through the centuries to "the lack of eminent directing minorities and the undisturbed predominance of the masses." Florence had no such lack; her greatness was in the number and quality of her superior sons and daughters. In that respect Margaret Oliphant has compared Florence favorably with Venice. The difference between the two republics, she wrote, was the absence in Venice of a galaxy of great names and personalities such as was possessed by Florence, "the mother of those who live by thought."

Limited Government

What accounted for this unparalleled burst of creativity? Miriam Beard in her *History of Business* asks whether the culture of Florence was so rich because of the city's wealth, or was the city wealthy because her children were so exceptional? Such speculation suggests the ancient riddle of which comes first, the chicken or the egg.

Savants tell us that the fourteenth century witnessed the beginning of a revival of the learning amassed by the ancients and submerged for twelve centuries through the Dark Ages. The poet and scholar, Petrarch, had much to do with this movement through his industry in collecting and translating Greek and Roman manuscripts. But there are other influences that we have to assess in trying to account for Florence. One is the kind of government of the city-state of Florence, as the capital of Tuscany. This government was for nearly a century, at the very peak of Florence's greatness, the benign rule of the Medici family. In a sense, the Medici of this period did not rule. They were clothed with power but were too intelligent to use it upon a people as superior as the Florentines.

The name and fame of the Medici have suffered what we would call today a "bad press." A preponderance of historians, including Sismondi, Trollope, and Symonds, have written in a partisan way of the Medici, ascribing to them ambition, embezzlement, and even cruelty. Others of great weight, such as Hallam, Burckhardt, and G. F. Young find nothing in the annals that sustains this view. They accept the judgment of a noted Florentine, Giovanni Rucellai, who in his memoirs thanked the Almighty that he was "a native of Florence, the greatest city in the world, and lived in the days of the magnificent Medici."

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The Florentine historian Guicciardini called the century of the Medici dominance "the most prosperous period experienced for a thousand years." Burckhardt said that under the Medici reign "Florence was the scene of the richest development of the human individuality." Macaulay wrote that the wealth and civilization of the Florentine Renaissance had not been exceeded in most of Europe four hundred years later. The revenue of the Republic in the latter part of the fifteenth century exceeded that of England and Ireland two centuries afterwards, he added.

So we may conclude that Florence enjoyed in this age a climate favorable to the genius of a whole people. It was induced by several factors: an enlightened government with a minimum of repression, a devotion to freedom by the people, unhampered trade with the rest of the known world, and a love of the beautiful that encouraged the emulation of great works.

Giovanni Bicci, Cosimo, Piero, Lorenzo

We are concerned here with the first four leaders of this remarkable Medici family. They were Giovanni Bicci, born 1360, died 1429; his son Cosimo, called Father of his Country; Cosimo's son Piero; and Piero's son, Lorenzo the Magnificent, who died in 1492, six months before the discovery of America by Columbus. Thus, the era of these four Dukes of Florence embraced practically the entire fifteenth century. Even if there were no other Medici in the annals of Europe, they would rate as probably the most celebrated family of all time.

The first thing to note about these men is that they were bankers and merchants. Bankers in those days were truly ambassadors of commerce. The house of Medici had branches all over Europe. In the generation before Giovanni Bicci the houses of Peruzzi and Bardi (later intermarried with the Medici) had loaned to Edward III of England 1,365,000 gold florins to finance the start of the Hundred Years War with France. This loan, equivalent in our money today to more than $70 million, was never repaid, and the two brothers were ruined by such a prodigious loss.

Although the church still opposed interest as "usury," the Florentine bankers and merchants of the fifteenth century charged interest on loans and deferred payment for goods. The earlier high rates fell to lower percentages as money became more plentiful and it was recognized that interest, as the price of capital, should fluctuate in keeping with the principle of supply and demand.

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Patrons of Culture

The four great Medici all had the enlightened attitude of many of our twentieth century business leaders. Giovanni Bicci saw the injustice of the existing tax system, which rested on an irregular poll tax, and got it changed to a more equitable property tax basis. He endowed the Foundling Hospital, an institution still in existence at Florence. He commissioned the architect, Brunelleschi, to build the Church of San Lorenzo, and gave many other commissions to such artists as Ghiberti and Masaccio. At his death he left a very large fortune to his son, Cosimo.

Cosimo continued to lavish more gifts from his own wealth to release the creative energies of the people. Still, he added to the Medici fortune; and when he died, he left his son Piero the wealthiest man in Florence. Piero ("the gouty") was in very bad health and lived only five honorable years after his succession to the dukedom. He was followed by Lorenzo, known as the Magnificent, who carried on the name and the power and the benevolence for twenty-three years that approached the summit of Italy's Golden Age. It was a period of almost incredible productivity.

Lorenzo's beneficences to the Republic were so fabulous as to reduce the Medici fortune greatly in his lifetime as head of the house. He employed most of the great artists in his city and paid them liberally from his own funds. He was quick to recognize genius in such men as Leonardo, Michelangelo, Filippino Lippi, Botticelli, Ghirlandajo, and to see that they were kept employed. He was willing to share this immense reservoir of genius with other states. It was he who sent Leonardo to Milan to create art and engineering works for the Duke of Sforza.

Although Lorenzo was the head of the state, all tax revenues were paid to and expended by the Signoria or city council. He and his family lived unostentatiously, even austerely. Now, half a millennium later, Florence is still the greatest treasure house of art in the world.

Lorenzo had the benefit of one of the most thorough and liberal educations ever possessed by a mortal. This had been seen to by his parents and grandfather. And so he became not only a good judge of practical men and measures, but something of a poet and philosopher as well. In fact, he rivaled that supremely versatile genius, Leonardo, in combining a variety of diverse talents. He fostered the idea of a Platonic Academy and held an annual feast at his country palace of Carreggi to celebrate the birth of Plato. It is a significant commentary on the two men that both Cosimo and Lorenzo

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were consoled in their last days by having intellectual friends read and discuss Plato with them.

Unlike the standard leaders of his time, Lorenzo detested war as an implement of statecraft. He believed in exhausting the arts of diplomacy before launching armies to enforce national policy. His greatest triumph in statecraft came in 1480 when a civil war involving Milan, Venice, the Papal state, Florence, and Naples convulsed Italy. Florence was greatly overmatched militarily by her enemies when Lorenzo decided to go to Naples in person and try to win over King Ferrante to making a peace. So persuasive did he prove to be in diplomacy that the Neapolitan king agreed, and Florence emerged from the war with her sovereignty intact and her lost possessions restored. Again in 1490, not long before his death, he effected another reconciliation between Naples and the Pope, and thus kept Florence out of war.

Know the Past and Anticipate the Future

We read history and reflect on the past in order better to understand the present and in some degree to anticipate the future. What does the grandeur of Florence mean to the world in the 1960's? In this consideration three facts about the Florence of the Medici stand out pregnant with meaning.

1. *A high culture depends, first, on economic factors.*

The fine flowering of Florence was a product of the fertilization, watering, and tillage provided by accumulated wealth. The splendor of the Renaissance would have been impossible had income and wealth been equally distributed among the people. When all income is consumed as it is acquired, there cannot be growth or accelerated production of all those things that minister to the spirit of man. Equality is unnatural, artificial; inequality is a natural state and contributes to the health of a society. Florence became supremely great in part because of its superiority in industry and trade. Fortunately, it was led by a wealthy business family devoted to literature and art, able and willing to spend colossal sums of their own money to foster them. "No other family," wrote Voltaire, "ever obtained power by so just a title."

Florence under the early Medici steadfastly refused to debase its currency as so many states did and still do.

These and other factors led Miriam Beard to write: "The culture of the Renaissance, so largely a Florence creation, was inextricably bound to the capitalism which thrived there."

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2. *Love of freedom is a characteristic of peoples who achieve greatly.*

"Passionately indeed was Florence enamoured of Freedom," wrote G. F. Young, the historian of the Medici. This it proved in 1478 by boldly resisting the decrees of Pope Sixtus IV, who sought to displace Lorenzo and even to have him murdered. The Pope was so furious at this defiance that he excommunicated the entire state of Tuscany. But, devout Christians as they were, Florentines refused to be intimidated into surrendering their liberty to govern themselves. They had bent their necks under the yoke of tyrants in the past and were highly resolved not to do so again. It was this same spirit that caused them to overthrow Lorenzo's son and successor, Pietro. Pietro failed to follow the advice of his father and his grandfathers not to set himself apart as an aristocrat who was above other citizens. Florentines were not amenable to conformity even when it was offered in the guise of national unity. Individualism reached a high tide in fifteenth century Florence.

3. *Government is to be judged, not intrinsically by its form, but for its adaptability to a people and a period.*

Florence as a republic had struggled along in a morass of mediocrity. Their very spirit of individualism caused its citizens to throw themselves with too much heat into private feuds. They mixed religion and politics in an impossible combination of fanaticism and violence. Like the Spaniards, they had lacked both leadership and followership. The struggles of the two parties – the Ghibellines, or aristocratic, and the Guelphs, or popular and papal – were almost unbelievably bitter. There was a complete absence of compromise, so essential to the successful functioning of a republic.

The Medici, and particularly Lorenzo the Magnificent, combined autocracy and republicanism in a blend that suited the spirit of the times. They formed a rallying center in a way that a more democratic leader could not accomplish. Hereditary succession provided the element of legitimacy that avoided revolutionary upheavals in periods of transition, as long as the leader paid due regard to the Florentines' jealousy of encroachments on their liberties.

We have to recognize that at the best a Golden Age is not a time of tranquility and happy adjustment. Achievement and not happiness is the motivating force. The Athens of Socrates and Plato

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and Pericles and Aeschylus and Empedocles was the Athens of the Peloponnesian struggle. Great works representing the most sublime aspirations of men are born in times of turbulence such as tortured Italy in the fifteenth century.

The ideal in government, whatever its peculiar form, is to bring to the top of the heap leaders who are among the best minds of their time and therefore natural lawmakers and administrators. The Roman, Marcus Aurelius, was at once a philosopher and a king. Lorenzo the Magnificent was more than that; he possessed an almost universal mind in a time when genius grew on the trees in Florence. Peoples in all climes, present and future, may study his career with profit. All of us are indebted to him and his three immediate ancestors, probably more than we realize. ◈

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THE UN TO THE US

WILLIAM HENRY CHAMBERLIN

A VOCIFEROUS BAND of propagandists, official and unofficial, has been presenting the United Nations to the American people as a shield against war, an impartial tribunal for the just and peaceful settlement of disputes between nations, a large installment on the realization of Tennyson's vision of "a parliament of man." Unfortunately, a candid look at the UN record shows that it has been and is nothing of the sort. Far from being a help in the effort to insure peace with freedom and justice, the UN has become the home of a double standard of morals, of a crooked view of world relations. And, especially in recent years, this organization has been a distinctly bad influence on American foreign policy, inducing the American government again and again to let down allies and to quarrel unnecessarily with friendly countries.

It is perhaps not generally realized that during recent years the prevailing trend of opinion in the UN has changed, in line with its expansion in membership from about 50 original members to the present figure of 111. Most of the new members are African and Asiatic states with little experience in self-government and still less in the conduct of international affairs.

During the first years after the end of the Second World War the United States could count on an

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almost automatic majority in the world organization, because the countries of Western Europe and Latin America regularly supported United States' positions. Practically, this was of no great visible benefit. The Soviet Union could, and did, use its veto in the Security Council to block any action to which it was opposed. There is not one recorded case when Soviet policy seems to have been swayed by an adverse vote in the UN Assembly, with its rule of one nation, one vote.

A New Balance of Power

But the United States, in the first years of the existence of the UN, could at least register moral victories in the shape of numerous votes in the Assembly supporting its position and condemning that of the Soviet Union. Now, this situation has entirely changed. The UN has been swamped with new member states, many of them ridiculously minuscule in size, all poor and economically and educationally retarded. It strains the principle of one-nation-one-vote pretty far to have the votes of such African states as Niger, Chad, and Upper Volta count, in Assembly voting, as the equals of the United States, Great Britain, and France.

These new states have displayed complete moral and political indifference to the vital issue of human freedom that divides free countries from communist dictatorships. Their sole obsession is to destroy what they call the remnants of colonialism and in this obsession they try to draw the United States into vendettas and one-sided positions which conform neither with principles of elementary justice nor with America's own interests, as rationally conceived. This double standard of morals was clearly revealed when the representatives of the Afro-Asian bloc in the UN urged the strongest sanctions against the British and French vindication of the rights of their nationals when Egypt's dictator Nasser seized the Suez Canal and displayed monumental indifference to a far graver outrage against human rights: the Soviet armed crushing of the fight for freedom of the Hungarian people.

The United Nations and the United States have sometimes been pushed into positions of repulsive hypocrisy by the moral myopia of many of the Afro-Asian governments, by their refusal to admit that one of their own number could be wrong in adopting policies of aggression. So the UN was eloquently silent when the sanctimonious Nehru of India overran the Portuguese enclave of Goa by force after failing to touch

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off subversion from within. There was no chance for the people of Goa—mostly Christians with centuries of association with Portugal—to express their will freely on absorption into India; Goa was simply taken over by force, in clear defiance of the following clauses in the UN Charter:

"All members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered.

"All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations."

Indian troops shooting their way into Goa did not harmonize with these injunctions of the UN Charter. But there was no official peep from the UN about the affair. The American chief delegate, Adlai Stevenson, made a strong verbal protest on his own account, but did not even try to get action from the international body because such an effort was foredoomed to failure in advance.

It was the same story when the fun-loving dictator of Indonesia, Sukarno, went on the warpath against West New Guinea, which had remained under Dutch administration. The Netherlands was far better able to provide for the educational and social needs of the primitive natives of this area than could chronically bankrupt Indonesia, and the Dutch made every effort to reach a conciliatory settlement. However, the Indonesians used both threat of force and force without any rebuke from the UN; and an American retired diplomat worked out a Munich formula under which West New Guinea, without any consultation of the will of its people, was handed over to Sukarno's burgeoning empire.

More recently, Indonesia again has played the role of a blatant international troublemaker without incurring any UN censure. A new state, Malaysia, came into existence in the form of a federation of Malaya, the big commercial port of Singapore, and some former British colonial territories on the island of Borneo. Without waiting for the report of a UN commission which was supposed to investigate the state of public opinion in the Borneo territories, Sukarno started guerrilla harassment operations in Borneo; a mob in the Indonesian capital, Jakarta, burned down the British Embassy without the slightest opposition from the police; and extremist labor organizations grabbed all British-owned enterprises in Indonesia—a repetition of a method

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formerly used against the Dutch. All this scarcely suggested a spirit of settling international disputes by peaceful means.

Selective Intervention

Something might be said, in the name of idealism, for a UN policy of protesting impartially against all offenses against human rights, regardless of where and by whom these offenses are committed. Something might also be said, in the name of realism, for having the UN keep its collective mouth shut about conditions which it is powerless to change. But nothing whatever can be said for a policy of selective UN intervention or, more specifically, for taking every opportunity to denounce Portugal and South Africa and maintaining eloquent silence when the Soviet Union, India, or Indonesia is the offender.

What is of special concern to the United States is that this kind of special pressure from an artificial UN majority that does not represent either power or responsibility in world affairs is constantly diverting the United States delegation away from the proper purpose of American foreign policy: the pursuit and defense of the interests of the United States. For example, Portugal is a NATO ally of the United States and its willingness to grant to the United States the use of air bases in the Azores Islands is a considerable strategic benefit to this country. Yet, the United States is constantly being pressed by the Afro-Asian bloc in the UN to associate itself with hostile public criticism of something that is really none of its business, Portugal's administrative methods in its African possessions, Angola and Mozambique. More than that, Portugal's NATO allies, including the United States, are urged to commit unfriendly acts against the little country, such as refusing to sell arms which might be used against subversive elements who have been waging a savage cutthroat war against Portuguese settlers on the northern fringes of Angola.

The same issue arises, perhaps even more sharply, in connection with South Africa. In a country where the population is about 20 per cent European (mainly Dutch and British) and about 80 per cent native African, mixed race, and Indian in composition, the government is committed to a policy of *apartheid* or complete separation between the white and black races. In terms of humanity and long-range feasibility, this policy is open to criticism. But it is easier to denounce *apartheid* than to suggest a practicable alternative. To establish a one-man-one-

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vote system would mean an ignorant and mostly illiterate native majority swamping the Europeans who have brought to South Africa all its cultural and material achievements, which have made it the leading industrial nation on the African continent, and have provided living conditions for the natives which – however unsatisfactory in Western terms – still attract a voluntary inflow of native Africans from adjacent areas.

One may hope that South Africa ultimately will find a middle way between the rigors of *apartheid* and the horrors and futilities of premature "liberation" in the Congo. But this result is not likely to be achieved by the continuous threats of other African states to stir up bloody racial strife or by giving a UN sanction to boycotts of trade and investment in the flourishing South African economy. Indeed, the effect of this campaign, according to reports from South Africa, has been to bridge the political and social gulf between Boers and Britons and to win more general support for the government's policy of maintaining South Africa as a bastion of white civilization.

Whatever individual Americans may think of *apartheid,* the United States as a nation has no quarrel with South Africa. Indeed, the use of a naval base at Simonstown, on the South African coast, might well be highly important in any international showdown with communism. Yet, the United States is allowing itself to be dragged along in the inadmissible attempt of the Afro-Asian bloc to misuse the United Nations for promoting a vendetta against a regime which they dislike.

Last summer the UN commission on South African *apartheid* – the very existence of which is contrary to the provisions of the UN Charter which forbade interference in the internal affairs of member states – brought in a militant resolution calling for an embargo on the sale of arms and oil and a virtual blockade of South Africa. All this on the farfetched and downright absurd pretext that South African *apartheid* is a threat to peace. South Africa does not propose to attack anyone. Its decisions on racial issues within its own frontiers are its own concern.

Time To Check Credentials

To call the roll of the commission that brought in the resolution in favor of hostile actions against South Africa is to get an impression of revolting hypocrisy. What are the credentials as a crusader for civil rights and liberties of Hungary, where the

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present administration is only in power because Soviet tanks in 1956 rolled roughshod over the freedom movement of the Hungarian people? Or Algeria, where a revolutionary government came into power by murder and terror, stamped out all semblance of legal opposition, and becomes more and more involved in internal and external strife? Or – heaven save the mark – Haiti, by all odds the worst governed and physically most miserable country in Latin America, despite the fact (or because of the fact?) that there has been no "imperialist" foreign rule there since the French settlers were massacred and driven out at the end of the eighteenth century?

The reek of hypocrisy from the council halls of the UN becomes even stronger if one considers the many challenges to elementary justice and humanity to which that organization has remained completely indifferent. For example, has there ever been a UN resolution on the infamous Berlin Wall, which divided thousands of families, which has been a scene of death for scores of fugitives from communist tyranny? Did the UN ever take up the moral issues posed by communist slave labor camps in the Soviet Union and in China or by the forcible incorporation into the Soviet Union of Latvia, Lithuania, Estonia, and other substantial areas of Eastern Europe? It did not.

Yet, quite recently, the United States associated itself with a nearly unanimous UN vote attacking *apartheid* and demanding the release of persons accused of subversions – a case before a South African court. The United States representatives in the UN may be piling up serious retribution by thus participating in resolutions which clearly violate the UN Charter and set a precedent for UN intervention in the internal concerns of member states.

Suppose, for example, that a majority in the UN should pass a resolution censuring the state of race relations in the United States and demanding that persons who had been arrested and placed on trial in connection with some outbreak of racial violence should be freed. Or, take another quite conceivable possibility. Suppose a leftwing Castroite government should take control of Panama and appeal to the UN for the transfer of the Panama Canal to Panamanian sovereignty. In either case, we should be more or less hoist by our own petard, by our unwillingness to take a firm principled stand against exploiting UN machinery for crusades desired by some of its less responsible members.

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The UN Obstacle to Peace on Five Counts

There should be more critical examination of the widespread complacent belief that, if the UN cannot do much good, it can also do little harm. On five counts the United Nations has been a handicap and an obstacle to the conduct of a foreign policy conceived in the interest of the American people.

First, the very nature of the UN setup has almost forced the United States to express judgments and take sides on issues where silence would have been the preferable course.

Second, the United States in the UN is in a minority of "haves" surrounded by an envious majority of "have nots." The Economic and Social Council has been a prolific hatching ground of schemes designed, in one way or another, to transfer American wealth to "underprivileged" nations. On one occasion the United States was in a minority of one in standing for the principle that private property should not be confiscated without adequate compensation.

Third, there is a basic difference between the UN view that basic human liberties, such as freedom of religion, speech, and press, are gifts from governments and the traditional American view that such liberties are natural rights of men under God which no government may lawfully withhold. The distinction is important.

Fourth, the UN arouses hopes that cannot be realized, creates an illusion of security, and provides an excuse for dodging or postponing hard but necessary independent decisions in foreign policy.

Fifth, the very expression, United Nations, is a misnomer, because of the deep divisions of ideology and national interest by which the world is divided. To expect the United Nations, given these differences and given its archaic and unrealistic Charter, to point a clear united lead in time of crisis is to expect swift united action from a Tower of Babel.

It probably is not politically feasible to advocate United States dissociation from the United Nations. Too many myths have been successfully implanted in the public mind. But at the very least, the United States government could and should refuse to lend American prestige to votes against friendly governments taken at the urging of the members of the swarm of new Lilliput states which possess neither political and economic power nor the responsibility such power calls for. ◈

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Jobs Require Capital

W. M. CURTISS

A RECENT editorial in *The New York Times* commented on the fact that a taxi driver in New York City, who owns and operates his own cab, must have a medallion, now worth $26,500.

This medallion, a metal plate attached to the cab, is, in effect, a license to operate a cab on the city streets. The City fathers have seen fit to limit the number of cabs to a specified figure. As a result, the only way to become a cabbie is to acquire one of these medallions.

The market attaches a value to this privilege, so medallions are bought and sold or handed down from father to son or acquired by some other method. Once a medallion is obtained, then the owner can go about getting his auto and other tools of his trade.

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The *Times* referred to the taxi driver as "The Capitalist Cabbie" and of course he is just that. It appears that it would require about $30,000 to set a man up in the business.

If this seems a rather big investment in a job, think for a moment of the average factory worker over the country. Someone must have invested $18,000 to $20,000 to set up his job. In some industries it is much more and may run to nearly $100,000 for each employee. This investment provides the plant or place to work, tools to work with, and whatever else is necessary to make the best use of the worker's time and effort.

A farmer may invest $50,000 to $100,000 in a farm to provide himself with a job. A physician may invest thousands of dollars in a specialized education and in the tools of his trade before he can hang out his shingle. You can think of many occupations which must be accompanied by a sizable investment.

There is this difference: In the case of the factory worker or the farmer, the investment in the tools of his trade represents actual, physical things. The cost of a taxi driver's medallion, however, represents only a legal privilege – the cost of excluding others from the job by force. ◈

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THE AMERICAN TRADITION

10. Of the Civilizing of Groups

CLARENCE B. CARSON

NEWSPAPER headlines call attention to the events. They tell of demonstrations, of threatened nation-wide strikes, of freedom marches, of crowds turning ugly in their behavior and becoming mobs, of union violence, of sit-downs and sit-ins, of panty raids, of protest meetings, and of giant rallies. Pictures which accompany these stories frequently show police employing night sticks, cattle prods, bloodhounds, and fire hoses, or the National Guard advancing with fixed bayonets behind the cover of tear gas. The particular actors and causes change from time to time. In the 1930's, union violence was the most prominent national phenomenon. In the 1950's, rebels without a cause formed gangs of teenagers to prey upon one another, as well as the innocent. In the 1960's, Negroes and their sympathizers are the actors.

Taken together, however, these events constitute major trends of our times. On the one hand, the developments can be described as massed action by some group, which frequently is transformed by its fervor, or by some unfortunate event, into mob action. On the other, there are the harsh methods of the law enforcers, which appear to become harsher with each new device employed.

The chances are good, of course, that the headline writers will have found new topics before this is published. Shifting from ephemera to ephemera as they do, they

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Illustration: National Archives

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are not likely to convey any sustained sense of crisis, even when one exists. It is possible, but unlikely, that Congress will have dealt satisfactorily with the railroad issue and with civil rights. It is much more probable, however, that if they pass any labor legislation it will be but another expedient patch to stave off the inevitable consequences of the crazy-quilt of protective legislation passed earlier.

Be that as it may, it is most unlikely that the trends of this century will be reversed in the immediate future. Massed action by groups, and terror and violence to contain it, are not exclusively, or even particularly, American phenomena. They are worldwide in scope. Violence by groups has been epidemic in this century. It may be reviewed in its most instructive manifestation in Germany during and before the rise to power of the Nazis. Hitler's followers terrorized the opposition and capitalized on the crucial failure to restrain them. Once in power, Hitler used brutal coercion to subdue his own forces and to remove competitors among them. But this was only a more dramatic example of patterns of behavior among communists, fascists, Moslems, newly created African countries, and older European and American countries.

Groups Threaten Civilization

It is tempting to draw the conclusion that civilization has broken down. Those who use the blunderbuss approach to social analysis have pre-empted the position already. But such a conclusion is too all-inclusive to be useful, and it is of doubtful validity. By any criteria that we would be likely to devise, civilization still prevails in many countries and may, for aught we know, be spreading to the remainder. Nevertheless, if my surmise is correct, civilization is gravely endangered by massed group action and political terror and violence.

The phenomena to which I call attention have not gone unobserved, nor is there a lack of popular explanations. Current explanations usually follow one of two lines. If the explainer approves of the group action, he usually accounts for it in terms of intolerable social conditions which have provoked it. For example, it is now a cliché that labor strikes arise from deprivations of the laborer. (Anyone who thinks that this view has been much modified by sociological studies should read some books on economic history.) Already, Negro demonstrations are being explained environmentally. On the other hand, if the writer disapproves the objectives

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of the action, he will incline to make psychological explanations, e. g., of Nazi behavior or of current American "rightist" movements (which, despite the fact that they have not resorted to violence, are treated by many writers and speakers as if they were underground movements to overthrow the government). Such explanations reveal the ideological predispositions of those who make them. The explanations are chosen to fit the explainer's program.

Mob Action Is a Product

It is not my intention, however, to join the psychologizers and environmentalists in their methods of accounting for group action. Most of what they have to say is either guesswork or irrelevant. History is replete with sufferings which could have provided occasions for mass eruptions. In most cases, no such action occurred. Nor is there any consistently demonstrable connection between the degree of deprivation and the occurrence of resistance. Even if they were right in their causal explanations, however, they offer little by way of solution for the problems raised by mass violence. A man being chased by a mob would receive small comfort from the notion that it was "all in their minds." A Kulak would still be unprotected when he had been told that his fate had been occasioned by economic deprivation. Mobs must still be subdued if anarchy is to be forestalled, whatever the explanation for their existence, subdued by whatever means are necessary.

My point is this: *we are forgetting and have to a considerable extent discarded the methods for civilizing groups. Techniques* for *subduing* mobs are substituted for *methods* of *civilizing* groups. Learned treatises on mob psychology vie for attention with psychological and environmental explanations of group behavior. The police and armies get special training in dealing with groups, and modern technology provides the instruments. Terror and violence used by modern dictators to hold the masses in check are but an extension of methods employed almost everywhere to a more moderate degree. Both the mob action and the techniques by which it is quelled are eloquent testimony to our failure to civilize groups. The current alternatives favored by "liberals" amount to admonitions to submit to the pressure and coercion of the group.

As implied above, there is another possibility of dealing with groups. It is to civilize them. And there *was* an American tradition of the civilizing of groups. But it

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has rarely, if ever, been articulated, and it has now fallen into such obscurity that it must now be exhumed, as it were. I may be pardoned then for taking a circuitous path to view the remains. The tradition can best be understood after we have reviewed the steps we have taken away from it.

Our failure to civilize groups stems from three directions: (1) not keeping clearly before us the important distinctions between individuals and groups; (2) falling prey to certain delusions about group behavior; (3) discarding the principles men have learned for civilizing groups. The corrective of these was once a part of the American tradition.

Group Action Is Different

Groups are not simply collections of individuals. This fact is well enough known, yet it needs to be spelled out in order to demonstrate that we have fallen into some delusions. Any reflective person should be able to provide examples from his own experience of differences between individuals and groups. For example, everyone must have had this happen to him. In a conversation with one other person, you have discovered that person to be sympathetic, polite, and thoughtful. You may go away from such an experience concluding that you have met and are coming to know a genuine human being. Your next meeting, however, may take place in a group. Here the person who was congenial when alone with you may make cutting remarks and align himself with the others of the group against you on matters upon which you were sure you would agree. A little reflection should convince us, if we are not entirely unusual, that we have done the same thing ourselves.

An explanation for this transformation is not far to seek. Most of us are to some extent insecure when we enter a group, however casual and temporary the grouping. To allay this uneasiness, most men will attempt to identify with the crowd. In so doing, they take on the coloration and mood of the group, tend to suppress their differences, subordinate their reason to the common passion, and make common cause against whoever or whatever would upset the mood. Little boys will give chase to the one whose differences are too apparent; grown men will turn upon the intruder and subject him to ridicule.

If the grouping is temporary and the occasion social, men will soon go their separate ways and reassume their individual identities. However, if the grouping is more nearly permanent, if it ar-

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ticulates a cause or has been brought together for a cause, the identity of the individual may be more nearly merged with it. In that case, the sense of power which comes from identification with and of righteousness in a shared cause will replace the insecurity. At this point, a group can easily become a mob; at the least, it poses a potential threat to all outside of it. Not all groups, of course, become mobs. But that is my point. There are useful groups, and there are dangerous groups. The difference between them is the degree to which they have been civilized.

Anyone who has worked with aggregates of people should have noted some differences between groups and individuals. Groups do not think or reason; that is solely a function of the individual. On the other hand, individuals, feeling the strength of numbers, are emboldened to do things which they would be afraid to do alone. Children in a classroom will become defiant if they sense the class is with them, and one may observe them darting their eyes about over the room to assure themselves that the others are behind them. At a more serious level, anyone who has endured the abuse of massed pickets when he crossed the line can testify to the loss of inhibition which accompanies the merging with a group. People tend to lose their sense of individual responsibility as they become a part of a crowd. Moreover, it is very doubtful that groups can create, whereas, they are very adept at destruction. No mob could erect a building, for such an undertaking requires an ordering of activity which would remove the mob character of a collection of people, but a mob can readily wreck a building.

Delusions About Group Behavior

With these differences in mind, some contemporary ideas about groups take on the appearance of delusions. The most general of these notions is that direct action by groups (or the *people*) is desirable. In American history, this idea was advanced most forcefully by those whom we call Progressives. They were particularly prominent in the early twentieth century, but most of the political reforms enacted since were promoted during that time. Progressives had in mind the more or less direct political action involved in the direct election of Senators, the recall of judges, and the initiative and referendum. This, as it turns out, was the program of reformers out of power, for once in the power they have preferred to use the established machinery of government for their ends.

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Other kinds of direct action by groups, however, were fostered by reformers over the years, under such rubrics as "industrial democracy" and "agricultural democracy." Under the former, union members voted to bind individuals to their decisions; under the latter, farmers voted themselves a cut of the tax take. Such direct action, of course, advances the interest of the in-group both at the expense of the individual and of the general welfare.

Ideologies Are Not Enough

Another delusion is that causes and ideologies can provide a sufficient basis for controlling groups in their common endeavors. This is a delusion which appears to pervade intellectual circles around the world. Ideologies *can*, at least in theory, unite people; causes can provide a focus for collective action. But they do not usually contain limits which would control the people. For example, democracy is considered by many in the West to be a sufficient cause for social unity and common action in the world today. By contrast, many in the East have succumbed to the notion that communism can provide an ideology which will accomplish these ends. Both are wrong. Democracy, cut loose from its mooring in an older tradition, serves, as do all ideologies in our day, as a shibboleth by would-be dictators in their thrust to power.

This is not accidental; it is central. We appear to be regularly astonished that governments which were announced as democratic, by our press as well as the propaganda outlets within the country involved, shortly become despotic and quite often turn into military dictatorships. I cite Castro's regime as an example, but the number of them around the world today is legion. The people cannot create; they can only destroy when they act collectively and directly. Ideologies cannot change this. They can serve as a basis of unity for destroying whatever exists, but this only raises the problem of order rather than settling it. Most modern revolutions have foundered as the leaders attempted to come to grips with this problem. If a predetermined ideology is to be realized, if tradition is discarded, that order must be centrally directed and imposed from above. For this, dictators, terror, and violence are the usual means.

"The End Justifies the Means"

The third delusion is the belief that the end justifies the means. So baldly stated, I suppose that most Americans would deny that

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they believe it. Yet many Americans speak and act as if they believed it. Direct group action is supposed to be justified if the circumstances are bad enough to warrant it, or if the cause is sufficiently just in the eyes of the person making the judgment. Thus, direct action violence and sabotage by labor unions would be supposed by many to have been justified by the deprivation of the workers. Or, to take a current example, many people apparently believe that direct action by Negro groups is justified by wrongs that have been perpetrated upon Negroes. But the righteousness of the cause does not alter the character of groups. For aught I know, the violence of groups during the reformations of the sixteenth century was activated by the purest of human visions, the protection of the immortal souls of men, but this did not prevent the rape and pillage which were widespread. In like manner, "nonviolent" Negro groups are readily transformed into violent groups, and even mobs.

There are various other delusions about groups which I can only suggest here. There is the belief that some are made "good" by the make-up of their membership, i. e., laborers, farmers, minority groups, and so forth. This is sheer nonsense, and it would need to be disproved only to those who are victims of ideologically induced blindness. There is the notion that the individual's interest is permanently merged with that of some group. Yet this is only so if his belonging is prescribed by law. Otherwise, men will shift from group to group depending upon inclination and circumstances. One of the prime delusions is that freedom can be advanced by direct action. Having loosed the potential mob, however, nothing is more likely than that dictatorship and oppression will be used to contain it. The French Revolution is the classic example of the working out of the eventualities of the arousal of the crowd while destroying the traditional checks upon it.

Forgotten Principles of Law and Order

In large, my point is that the ideologies to which many intellectuals have fallen prey, along with those who have simply been attracted by the glowing phrases informed by ideology, have tended to rely upon some kind of group action and solidarity. But they have not taken into account the nature of groups, and thus the thrust toward the realization of these ideologies has been accompanied by terror, violence, dictatorship, and totalitarianism.

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In America, of course, the violence has been somewhat restrained thus far, the repression less pronounced. This was true because Americans had a long tradition of law-abidingness, and American institutions provided a framework for civilizing groups. Ideologues have been shielded from the consequences of their ideas by the very tradition they have deplored.

With this background in mind, the American tradition of the civilizing of groups can be profitably examined. More than one way has been devised for civilizing groups, however. Medieval Europe developed quite different means from those we associate with America, and the American tradition was made both in opposition to this older way and with the remains of it. Thus, something should be said on this head. It will be useful also in providing a standard of comparison.

In the Middle Ages, groups were civilized, to the extent that they were, by giving legal recognition to them, chartering them, giving them status, and regulating them. Workmen were organized in guilds, landholders and fighters into a nobility, students in colleges, people with a religious vocation into clerical orders, and so forth. Orders were granted privileges presumed to be suited to their task, or their members claimed rights by ancient usage and by virtue of their role in society. Charters served as a basis for regulating the activities of townsmen. Guilds minutely regulated the quantity and quality of goods produced, the prices for which they could be sold, and the methods of tradesmen. The nobility was regulated by a hierarchy of nobles in which the members were bound together by oaths of allegiance and fidelity.

Conflicts between groups occurred, of course, and were even ritualized into tournaments. Men were supposed to be held to their oaths by fear of the dread consequences which were expected to follow if they should be broken. The church could punish offenders in a variety of ways, such as denying absolution, excommunication, and refusal to bury the dead in consecrated ground. As kings grew in power, they were able to subdue unruly groups by force.

Rules, Forms, Rituals

One of the most potent means for the civilizing of groups is the use of rules, forms, and rituals. These are to groups what good manners are to the individual — habitual and customary means for order and discipline. Ideals

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may also be most useful in restraining and directing the behavior of groups. All of these were dramatically exemplified in the Middle Ages. Almost every activity was preceded by ceremony and done according to prescribed forms. Elaborate rituals were developed for initiation into certain groups. For example, here is a description of the ceremony by which some became knights:

> The candidate was first given a ritual bath . . . , a sort of baptism purifying him from sin. He was then clothed in a white linen tunic symbolic of his purity, a scarlet robe to remind him of his duty if need be to shed his blood for the Church, and black hose to symbolize death. He must fast for the twenty-four hours preceding his initiation, and spend the night watching upon his arms before the high altar of the church. . . . The following morning he must confess his sins, attend Mass, and make his communion.[1]

After which, the formal ceremony of knighting took place. In addition, knights were supposed to conform to a code of behavior and strive to realize certain ideals. John of Salisbury described these duties as follows:

> To defend the Church, to assail infidelity, to venerate the priesthood, to protect the poor from injuries, to pacify the province, to pour out their blood for their brothers (as the formula of their oath instructs them), and, if need be, to lay down their lives. . . . But to what end? . . . Rather to the end that they may execute the judgment that is committed to them to execute; wherein each follows not his own will but the deliberate decision of God, the angels, and men, in accordance with equity and the public utility. . . .[2]

The relationships between lord and vassal were spelled out in great detail in contracts. If a man had more than one lord, these contracts became quite complex, as in the following example: "I, John of Toul, make known that I am the Liege man of the Lady Beatrice, Countess of Troyes, and of her son Theobald, Count of Champagne, against every creature, living or dead, saving my allegiance to Lord Enjorand of Coucy, Lord John of Arcis, and the Count of Grandpré."[3]

Other orders lived according to rules as well. Here is a description of some of the rules under which the Cistercian Order lived:

[1] James W. Thompson and Edgar N. Johnson, *An Introduction to Medieval Europe* (New York: W. W. Norton, 1937), p. 324.

[2] Quoted in James B. Ross and Mary M. McLaughlin, *The Portable Medieval Reader* (New York: Viking, 1949), p. 90.

[3] Quoted in Thompson and Johnson, *op. cit.*, p.302.

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They have two tunics with cowls, but no additional garment in winter, though, if they think fit, in summer they may lighten their garb. They sleep clad and girded, and never after matins return to their beds.... Directly after (singing) . . . hymns they sing the prime, after which they go out to work for stated hours. They complete whatever labour or service they have to perform by day without any other light.[4]

The following are prescriptions for those who occupied certain papal lands:

These are the things which the people of Nimfa should do. They should do fealty to St. Peter and Lord Pope Paschal and his successors whom the higher cardinals and the Romans may elect. Service of army and court when the court may command. The service which they have been accustomed to do . . . , they should do to St. Peter and the pope. The fourth which they ought to render henceforth, they should render at the measure of the Roman modius. . . .[5]

It would be difficult, if not impossible, to determine how well the medieval system succeeded in civilizing groups. It is probably an irrelevant question, in any case. Most of the system has long since disappeared, preserved only in records and some practices of the Roman Catholic Church, hardly enough to offer a viable alternative in contemporary circumstances. Suffice it to say, the medieval system was designed to establish order and stability, that it provided little room for liberty and was entirely antithetical to equality.

Absolute Monarchy

As the medieval order broke down, groups were either crushed by monarchs or made subservient to them. The long range tendency was for the powers once vested in groups to be subsumed by kings, who ruled more or less absolutely. These powers, in turn, came to be vested in the state, according to the doctrine of sovereignty and modern practice. Both individuals and groups were often at the mercy of capricious monarchs. It is too gross a judgment to say that the countries of continental Europe never managed to develop a tradition that would provide for individual liberty and the civilizing of groups. Yet much of modern history is filled with the anarchy of contending groups and the oppressions by which they were brought to heel.

England and America followed a different course, and it looked for a time in the nineteenth and early twentieth century as if Eu-

[4] Ross and McLaughlin, *op. cit.*, p. 57.

[5] Norton Downs, ed., *Basic Documents in Medieval History* (Princeton: D. Van Nostrand, 1959), p. 54.

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rope might follow their example. Currently, the direction of emulation has been to a considerable extent reversed, of course. I would speak, however, of the emergence of the American tradition of the civilizing of groups.

Principles of the American Tradition

The American tradition can be reduced to several principles.

(1) *Americans used forms and rituals for the civilizing of groups.* These were largely from the inheritance from the Old World. They consisted of parliamentary rules for debates, prayers at the beginning and end of meetings, inaugurations, and installations of officers, the taking of oaths of office, and similar practices of great number and variety. To the thoughtless, these practices may seem of little moment. They are not. Every gathering of people is potentially disorderly, and as numbers increase, the threat to the peace and to individuals mounts. Following rules and forms diminishes this danger. The meeting that begins with prayer is less likely than otherwise to end riotously. The observance of parliamentary rules protects individuals who would speak out and helps maintain order. Following predetermined orders of business helps to prevent precipitous action.

(2) *The American tradition is one of limited action by groups or the populace as a whole.* Constitutionalism was the device adopted to serve this end. The Constitution set limits upon what governments could do, and, by implication, denied the force of government to groups who might use it for unlimited ends. True, the Constitution could be amended, but it takes so long and is so cumbersome that groups are not likely to maintain solidarity long enough to amend it. If they do, the more dangerous aspects of group behavior are likely to have been stilled.

(3) *The republican form of government prescribes indirect political action.* Laws were supposed to be passed by *representatives* of the people. When the crowd cannot act directly, much of its force is lost, and its danger is apt to be dissipated. Representatives, even when they represent groups, are likely to be confronted by representatives of other groups in a large country, or so James Madison argued in the Federalist, Number 10. In that case, they will probably have to resort to reason and persuasion to win their case. The group is civilized not only by having had a voice in decisions but also by participating indirectly and by having to submit to the discipline of parliamentary rules.

(4) *The United States Consti-*

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tution did not give legal recognition to groups.[6] At law, there were no classes, orders, or groupings of men possessing privileges, duties, immunities, or exemptions. A New York judge was speaking out of this tradition when he delivered his opinion on the actions of a tailor's union in 1836:

> The law leaves every individual master of his own individual acts. But it will not suffer him to encroach upon the rights of others. He may work or not, as suits his pleasure, but he shall not enter into a confederacy with a view of controlling others, and take measures to carry it into effect. The reason for the distinction is manifest. So long as individual members of the community do not resort to any acts of violence, their hostility can be guarded against. But who can withstand an extensive combination to injure him in his calling? When such cases, therefore, occur, the law extends its protecting shield.[7]

When groups are prohibited by law from committing depredations, long strides have been made toward civilizing them.

(5) *Groups were dependent upon the recruiting of volunteers for their membership and upon their appeal for their continuation.* Individuals were free to join or not to join, to continue their membership or to resign. Far from bringing about the end of all organizations, however, groups of all sorts proliferated in America. Visitors from other shores were astounded at their number and variety. Note, too, that this system made possible the greatest amount of liberty both for individuals and for groups. In this tradition, there was no need to prescribe rules for groups by law. The members of a group could do nothing legally that they could not do as individuals. The group is deactivated as a mob, actual or potential, when it is broken up into individuals. This, the American tradition provided for doing.

Departure from Tradition

To say that there was an American tradition of the civilizing of groups is not to say that groups always behaved in a civilized manner in America. Indeed, Americans did form mobs on occasion. These mobs did sometimes commit lynchings and other depredations upon the citizenry. But the remedy was ready at hand. Punish the in-

[6] The one exception was Negro slavery, and that was abolished, of course, by the Thirteenth Amendment. However, states sometimes recognized the existence of groups by privileges and exemptions.

[7] *New York* v. *Faulkner*, reprinted in Henry S. Commager, *The Era of Reform*, 1830-1860 (Princeton: D. Van Nostrand, 1960), p. 106. It does not speak well for his objectivity that historian Commager characterizes it as a "notorious" decision.

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dividuals for their unlawful acts and, if conspiracy was involved, punish them for that also.

But Americans have broken radically from this tradition in the last eighty years. Today it is doubtful that there is any longer much of a tradition for civilizing groups. The break was most prominent in several directions. Sophisticates, assorted intellectuals, cynics, and aliens to the culture, along with the careless, undermined the supports to forms, rituals, and rules of order. The falling away from religion removed much of the underpinning from oaths, made prayer on public occasions empty or at least slightly ridiculous, and took away much of the support from forms. A determined informality in America, promoted by relativism, has made those who insist upon observing rules appear stodgy. It has been my misfortune to sit in meetings where the chairman addressed participants informally, thus removing the safeguards to individual dissent and making noisy dissent the alternative to mute acquiescence in what was proposed.

At another level, class theories began to occupy thinkers in the latter part of the nineteenth century. They began to describe labor as a class, business as a class, and farmers as a class. Socialists and assorted reformers were at the forefront of this class thought and the subsequent appeal to people as a class. Notions of the populace as consisting in the main of inert masses of people became prominent.

This development was followed by a thrust to the recognition and empowering of groups by law. The United States government virtually recognized the existence of economic classes by creating departments of agriculture, commerce, and labor. Progressives pressed to remove the safeguards against direct action by advocating the direct election of Senators, the recall of judges, and the initiative and referendum. Corporations were likened to individuals by court decision. Labor unions were given special exemptions by the Clayton Anti-trust Act, the Wagner-Connery Act, and others. Farmers were empowered to vote themselves price supports by various acts.[8]

Extra-Legal Grants of Power

However, much of the practical empowering of groups has not been accomplished by either constitutional amendment or legislative act. Instead, in many in-

[8] I have treated this development more fully in *The Fateful Turn* (Irvington-on-Hudson: Foundation for Economic Education, 1963), pp. 107-127.

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stances law enforcement officers have looked the other way while unions employed coercion and violence. Politicians have practiced a policy of divide and conquer on the American people. The Democratic Party has been most adept at this, though the Republicans have often attempted to compete. They have forged a party out of numerous minority groups, making promises and presumably providing favors for them. Many of these groups have become vested interests, both legally and extralegally.

As I write these words, Congress has just been engaged in providing *compulsory* arbitration for the railroads and the related unions. Negroes have gathered in Washington for a massive demonstration. The pattern is repeating itself. The birds are coming home to roost. If the restraints are removed from group behavior by the grant of special privilege, if groups are empowered by law, if direct action is advanced because the end is "good," if the means for civilizing of groups are abandoned, compulsion and authoritarianism must be used to preserve order.

If anyone doubts that the situation is perilous, let him imagine this situation. Suppose the companies in a major American industry were to decide to operate without a union agreement, to throw their doors open and employ whom they would, and to announce this course as their policy in the future. Could anyone doubt that the violence that would ensue could only be curbed by violence? When groups become accustomed to having others submit to threats and pressure, they will become less and less willing to brook resistance. But there comes a time when social order requires resistance to the anarchy of contending groups. The road of resistance, however, leads to despotism in one form or another. Something analogous to the medieval way might be tried, of course, at the expense of liberty and equality. Or, we might begin the now difficult and forbidding task of the restoring of the American tradition of civilizing groups. ◈

• *The next article in this series will treat "Of Rights and Responsibilities."*

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a Letter to the President

Knife Blade Saloon
Natchez, Mississippi
December 11, 1832

President Andrew Jackson
The White House
Washington, D. C.

DEAR MR. PRESIDENT:

In recent years the keelboat industry has been badly depressed due to the influx of new cargo craft known as "steamboats." If the keelboat industry dies, there will be severe repercussions for the entire nation. The government must move to save the keelboat lines for the following reasons:

(1) Destruction of the keelboat business would create tremendous unemployment along the nation's waterways. The International Brotherhood of Keelboat Polers, the American Keelboat Cadence Callers' Association, and the Trans-Mississippi Keelboat Pilots' Guild already are reporting high unemployment, and the figures are expected to double in the next ten years. These men will not be able to find new jobs on steamboats since they are not trained for the technical operations involved in running these highly-mechanized vessels.

(2) The disappearance of the keelboat would cause the destruction of many other vital industries. The pole-makers are already in trouble, and the outlook is dim for those who manufacture keelboat keels. Production of cadence drums has fallen to a record low. If all these firms go out of business, the economy of the Mississippi-Ohio Valley can never hope to survive.

(3) Keelboats are vital to the defense of the United States. In the event of war, the United States would lack the capacity for transportation of supplies which are needed to successfully wage war.

In view of the above facts, the government should immediately take steps to insure equal competition between keelboats and steamboats in

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order to protect the American people from the evils of a steamboat monopoly. A "Waterways and Steamboat Transportation Expenses Board" should be created to regulate the steamboat industry in the public interest. The W.A.S.T.E. Board should see that steamboat rates are not set too low for the keelboats to compete. In addition, W.A.S.T.E. should determine subsidies to be paid to the keelboaters to make up for the extra business that the steamboats will receive because of their greater speed.

If these suggestions are accepted, the people of the next century will surely bless you for your foresight in enabling the keelboat industry to remain, absorbing the energies of thousands of American workers in building the best, cheapest, most efficient keelboat transportation system the world has ever known.

Sincerely yours,
Mike Fink, President of American
Association of Keelboat Operators

EDITOR'S NOTE — The real "Mike Fink" is Paul Johnson, a freshman engineering student at Rice University. His "letter" was written last year for publication in the Jefferson High School (San Antonio) literary magazine, *Each Has Spoken*.

IDEAS ON LIBERTY

True Charity

THE COBWEBS of narrow or little thinking have never had such a heyday as they are having at present in the minds of those voting and advocating the use of other people's possessions to supply so-called entitlement of any group regardless of the effort put forth. True charity is never voted for or demanded by the receiver.

RALPH A. LYNE, Taylor, Michigan

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A NEW TYPE OF GIVE-AWAY PROGRAM

ORIEN JOHNSON

"THE TROUBLE with you conservatives is that you don't do anything about human misery. We liberals have a program. We are the true humanitarians of the world."

This kind of talk distresses me for two reasons. In the first place I consider it sheer hypocrisy to brag about being humanitarian when you have shifted your own personal responsibility to humanity onto a government-sponsored give-away program. In the second place it puts the finger on an element of hypocrisy in my own life. It is all too true. I am too little concerned with the problems of my fellow men. I *talk* more than I *do*. I am not enough of a humanitarian to suit myself.

It is not easy to live with your conscience knowing that two-thirds of the world's population goes to bed hungry every night while you are overfed. You begin to wonder if there isn't a whole lot more that could be done by individuals who love liberty and prosperity and who long that all men shall someday enjoy these privileges.

One day a letter came to my desk from an organization claiming to offer me something practical that I could do about the problems of the world. Of course, I read it with interest.

It claimed that a young man by the name of Wil Rose had worked out a teamwork plan to provide technical and developmental assistance to the peoples of the developing nations simply by connecting actual problems submitted by them to people here in America who would solve the problems in the area of their own training and experience.

I read the brochure with my usual questions. Was this a government-sponsored program? No,

Mr. Johnson of Denver is editor of *Young Life*, a magazine for high school students.

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it was an independent, nonprofit organization.

Did it send technical experts to foreign lands at great expense? No, it discovered qualified men and women in all vocations and professions who were willing to offer expert advice to solve problems in their area of specialization, and the whole operation was conducted by mail.

Did these experts charge for their services? No, they donated them as their contribution to the relief of human misery.

How was this organization financed? By asking an annual contribution of $12.00 or more from each person who joins the team, and from other contributions given simply because people want to have a part in this type of world service.

The organization is called DATA (Development and Technical Assistance) International. Their main commodity is data (facts, advice, information). They cited some typical cases.

An American teacher in Pakistan wrote, "The farmers in this area don't even know how to terrace their land. With every monsoon season they watch their crops erode down the mountain and into the bay. Do you have someone who can give us information on terracing farm land?"

DATA turned to its files of agriculturalists and relayed the problem to a teacher at the University of New Mexico. Back came the answer with drawings which any person could understand and follow. These were airmailed to Pakistan. The teacher then interpreted and helped the people learn for themselves how to hold the soil and reap the harvests they needed so desperately.

A missionary in New Guinea wrote for a recipe for soap, wondering if it would be possible to make it using coconut oil.

DATA sent this problem to a chemist connected with the famous Stanford Research Institute and received instructions which could be used with any kind of animal or vegetable fat. Today the natives of a certain area of New Guinea are making their own soap, which helps bolster a sagging economy and brightens faces in more ways than one.

Exchange of Information

There are over 300,000 Americans (in addition to our armed services) overseas at all times. Many of them see human suffering and degradation every day without knowing what to do about it. DATA tries to contact as many as possible and suggests that they mail problems that might be solved by an exchange of information. Business representatives,

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tourists, students, missionaries, teachers, doctors, yes, even government officials and Peace Corps volunteers may use the service.

A Peace Corpsman in Colombia requested and received information on beekeeping. Another received advice on irrigating mountainous plots. Another, from the Philippines, a teacher, wanted instructions on organizing farmer cooperatives.

In a sense this service makes a Peace Corpsman, or any overseas representative of a service organization, an "expert" in many areas. He may have been a consultant in one or two specialized areas. Now he may receive highly qualified information on any problem he can put into words and mail to DATA which relays the problem to volunteer consultants at home.

Volunteer Problem-Solvers

This team of volunteer problem-solvers is called the DATA Assistance Corps. Over 1,000 individuals and service organizations have gone on record with resumes of their abilities. They stand by for problems in their area of training and experience.

These capable people really enjoy passing on helpful information. Engineers, doctors, teachers, pest control experts, research specialists, agriculturalists, mechanics, builders, butchers, bakers, yes, even candlestick makers would rather give answers to developmental problems than to give money or materials.

The candlestick maker, by the way, gave his expert instructions to a boys' club in the Orient that wanted to learn a craft which might bring in a bit of income to help support their club program.

I began to see a glimmer of light as I read the literature. I reached for my pen and signed up as a member of the Assistance Corps. I listed my abilities in journalism, writing, preparation of publicity pieces, and also my hobbies – playing the trumpet, and various sports which I had participated in. Perhaps these were too specialized to be of much use among peoples of developing nations. At any rate I had gone on record with my willingness to help. I felt better already.

Soon I received a letter with a problem from Formosa. An independent radio station manned and operated by Chinese wanted to beam their message of hope to their fellow men on the captive mainland. They asked for help in preparing a brochure telling their story and asking for funds to help them support their nonprofit organization. A few hours' work was all it took, and I sent it off with a real sense of pride in accomplish-

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ment. They sent me a copy of the completed brochure which I keep as a souvenir of my little part in world service.

Another request came for help in the design of a letterhead for a school in Japan. My hobbies were also brought into play when a request came for advice on caring for brass instruments in the tropics. Then came a request for assistance in setting up a recreational program for a youth camp in Bermuda.

Help Toward Self-Reliance

I began to analyze the difference between this type of "give-away" program, and the traditional government "give-aways" which leave so much to be desired.

What is it that the peoples of developing countries need the most? Is it temporary relief? To my mind this merely prolongs the problem. We keep thousands alive to propagate more thousands to feed in the next generation. And yet we dare not turn our back upon starving humans. Surely, much more should be done than is now being done. I believe it should be done through volunteer, independent, nonprofit organizations.

There are over 1,000 such organizations in America now offering specialized service in many aspects of human need. Every U. S. citizen with any income whatsoever should give some portion of it through the agency of his choice. He should make a studied effort to examine the claims of various organizations to find out if they are truly doing what they say they are to meet human needs. He should ask for and receive financial statements so he may be sure that the business practices of the organization are honest and efficient. He should in short become much more involved than to throw some loose change toward every good cause that comes along, or even to write a substantial check now and then.

We Americans talk a great deal about "the dignity of man." It has become another of those glib clichés that we subscribe to in a half-hearted manner. Yet, it is a grand idea. But think what the giving of relief does to the dignity of human personality. Every man yearns to stand on his own two feet. Not to be able to find employment to earn a living for himself and his family is a most discouraging predicament. To be forced to receive the very necessities of life at the hand of another is a most degrading and embarrassing situation. The exceptions are those who become professional beggars, whether on the streets or on the relief rolls. The stigma is still there. So we must come up with more imaginative and constructive

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plans, such as the DATA concept, and others that are not dealing in temporary relief.

A man is able to get better employment on the basis of what he knows and the skills he possesses as a result of that knowledge. This is true in a highly advanced economy such as ours, or in the most underdeveloped areas. The total prosperity of a country is largely dependent upon the know-how of its individual citizens. Therefore, it is imperative that the people of developing nations receive information, advice, and technical know-how as quickly as possible.

Formal education is not the immediate need of the masses of these awakening countries. There are not enough schools, or money, to support them. The immediate need is a rapid transfer of knowledge from the "have" peoples of the world to the "have-nots."

Here again we must be careful to preserve human dignity. We dare not rush quickly to people suggesting that we will tell them how to change their lot. We will hear, as we have heard from so many areas, a rising crescendo . . . "Yankee, go home."

To find a man struggling with a problem is a different thing. Now he is ready to receive help. He may want to know how to make a water wheel to lift water from the stream below to his thirsty fields. An American who has made his acquaintance, who knows how to talk his language, who is concerned about his everyday problems, offers to get a design for a water wheel. An engineer in New York, who has built several water wheels as a hobby, corresponds with the problem-sender until he knows the specifications needed and the materials available. Then he puts his inventive ingenuity to work and comes up with a design that is practical and economical. It is soon built and put to work. Other farmers in the area come to examine the new labor-saving device which enables a man to irrigate ten acres with less physical effort than was formerly needed to irrigate a small garden plot. Soon they build water wheels for themselves, and a healthy economy begins to form in that primitive area.

Problems of Government Aid

Think for a moment on the international relations problems involved. A government which sends experts, money, or materials is suspect from the start. People are not fools. They know there is a hook somewhere. They realize that their good will or political alliance is being bought. They are sick and tired of political chicanery. The only acquaintance with

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government many people have is with a crooked official in their neighborhood who lives by treachery and bribes. So, naturally, they mistrust it when they see it on an international level. The "bribes" they see are boatloads of grain or tractors. We have insulted the peoples we desire to serve, and have put ourselves in a bad light even though our motives were pure.

Think, also, of the bad public relations back home that result when Americans hear of the millions of their "give-away" tax dollars which have gone into the black markets of certain countries to fatten the pockets of a few crooked officials. Congressmen are then given an excuse to make investigative world tours, at more public expense, to straighten things out. Eventually, the whole operation becomes a political sore spot that shows little sign of healing.

Charity a Personal Affair

On the other hand, see the new improved image of America that begins to emerge when an individual is helped by the exchange of a small bit of information he can use to improve his own lot. A national will find it hard to believe that the American who thought enough of him to become involved with an everyday problem of life is a "Yankee imperialist," whatever that might be. He will think of him as a friend. And perhaps here is the key to the whole developmental problem – friendship.

How much friendship is shown in government "give-aways"? It seems impossible for me as an individual to demonstrate my friendship to the peoples of the world by money that is taken from me as taxes, administered by agencies unknown to me in Washington, and sent to countries I never heard of.

In contrast, see the chain of friendship which comes into operation in the teamwork project which makes possible a free flow of information.

In the first place, I am a bit flattered to be asked for any bit of information I may have. I would much rather give advice than money. So, right away we are on good terms.

The American who happens to be stationed overseas, knowing that he can readily turn to me and thousands in every career and profession, is now able to look for, rather than to look away from, the problems that plague nationals in his area. So he offers to write for information – how to improve crops and herds, how to build smokeless fireplaces for cooking, how to purify drinking water,

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how to control rats, bats, or ants. The response he receives from the national is warm, gratifying, and lasting.

This need not be a one-way street. In fact it should be a "freeway" by which helpful ideas are able to flow to and from every nation in the world.

I am not talking of mere cultural exchange or the trading of gifts and souvenirs. I am concerned with the free exchange of helpful ideas that can be used to improve the economic conditions of free men everywhere. But we may have to take the initiative and demonstrate our sincerity in this realm until such a time as other nations are willing to send back some ideas and know-how in certain areas that our people could use.

DATA Director, Wil Rose, made a trip to Mexico City at the invitation of Mexican citizens who had used the service for their own countrymen. They wanted to know how to set up a similar organization in their own land.

"Why should we send to the U. S. for help when the same exchange of know-how might be implemented by our own people?" they asked.

Once they have put the program to work in their land, they can spread the friendship circle to other Latin American countries, and then share some of their own technical abilities with American citizens who need and seek advice.

Any nation can stand a lot of this kind of "image improvement." Here, at last, is a program in which untold thousands of capable career people may give away (and still retain for their own use) valuable data which can be applied to the everyday problems of life.

Here is a positive plan of action by which Americans, liberal or conservative, may meet the true needs of their fellow men on a person-to-person basis, where true compassion belongs. ◈

• For information as to how you may go on record with your willingness to help in your field of training and experience, write to DATA International, 437 California Avenue, Palo Alto, California.

IDEAS ON LIBERTY

"Friends of Humanity"

I AM ONE of humanity, and I do not want any volunteer friends. I regard friendship as mutual, and I want to have my say about it.

WILLIAM GRAHAM SUMNER,
What Social Classes Owe to Each Other

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Professor Hutt on KEYNESIANISM

LUDWIG VON MISES

THE KEYNESIAN DOCTRINE as developed by 1935 in *The General Theory of Employment, Interest, and Money*, tries to prove the soundness of the two most popular but least tenable components of contemporary economic policies: inflationism and labor unionism. At the time of its publication the spectacular failure of these two methods of interfering with the market phenomena could no longer be concealed. Yet the governments and the political parties were firmly resolved not to abandon "deficit spending" and the support of labor union violence and intimidation. Their official wisdom explained the progressive rise in prices – which they misnamed inflation – as caused by machinations on the part of bad people, the profiteers, and unemployment as one of the unavoidable shortcomings of a "free," i.e., not regimented, economy.

But it became from day to day more obvious that it was not enough to find a lame excuse for the current policies. What the noncommunist West seemed to need was a comprehensive doctrine that could be adopted as the economic philosophy of those governments that, while ostensibly proclaiming their anticommunism, step by step approached a system of all-round government control of business. *The General Theory's* success was due to the fact that it tried to provide such a justification of the American New Deal and the devaluation practices of the various European nations.

The enthusiastic praise that Keynes' doctrine received on the part of the professors and authors

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propagating government omnipotence could for a while divert attention from the fact that from the beginning all discriminating economists rejected it and unmasked its inherent fallacies. Some of the most important of these critical essays were collected and republished by Henry Hazlitt under the title, *The Critics of Keynesian Economics*. Hazlitt himself has in a voluminous brilliantly written study, *The Failure of the "New Economics,"* clearly demonstrated the shortcomings, contradictions, and other failings of Keynesianism.

To Clear the Air

As an economic doctrine, Keynesianism is now dead. But the serious errors and misunderstandings of fundamental issues of economics that made its emergence and its fleeting success possible still prevail. There remain with us many empty slogans and illusory concepts that easily mislead those seeking a satisfactory interpretation of phenomena. It is necessary to clear away the debris of the Keynesian structure in order to open the way for a correct grasp of the principles of the market and the functioning of price flexibility.

This is the task that the new book of Professor W. H. Hutt, *Keynesianism – Retrospect and Prospect* (Chicago: Regnery, 447 pp., $7.50), wants to accomplish. Hutt calls his work *A Critical Restatement of Basic Economic Principles*. Such a restatement was badly needed indeed. The main failure of Keynes and all his disciples and admirers is to be seen in the fact that they simply do not know what prices are, how they originate, and what they bring about.

Prices come into existence by the eagerness of people to exchange one commodity or service against another commodity or service. They are the outcome of various individuals' readiness to buy or to sell. Every price is the outgrowth of a definite constellation of demand and supply. It could not be different from what it really was because there did not appear on the market any people ready to bid a higher or to ask a lower price. The structure of prices reflects the state of the material conditions determining people's existence and the success of the endeavors made to satisfy the most urgent needs as far as these material conditions make it feasible.

Prices cannot be manipulated ad libitum by the social apparatus of coercion and compulsion, the police power. All the government – or a labor union to which the government has virtually dele-

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gated its power of enforcing orders by violent action – can achieve is that coercion is substituted for voluntary action. Where there is coercion, the market economy no longer functions; disorder results in the production and the marketing of the articles subject to the governmental decree. Then the spokesmen of the authorities point to the inefficiency of the market system and ask for more government meddling with the price system.

The Market Economy

Professor Hutt analyzes point by point all the alleged shortcomings of the free market about which people complain. He presents a comprehensive analysis of all aspects of the Keynesian interpretation of the market economy. Most of the rising generation of economists were taught Keynesianism and ignore all that economic theory has brought forward for an elucidation of what is going on in production and in the marketing of the products. A careful study of Professor Hutt's new volume will lead them back to a correct grasp of the problems of the market economy.

Professor Hutt's contributions to economic science were long since highly appreciated by all serious students of social problems. His rank among the outstanding economists of our age is not contested by any competent critic. Yet, what he has written up to now has appealed only to those specializing in the study of economics. This new volume on Keynesianism is addressed not only to specialists, but to all those who want to form a well-grounded opinion concerning the most burning problems of social policies. It is not only a refutation of erroneous doctrines. It is no less an exposition of the fundamental principles and ideas of up-to-date economic theory. It is not merely a treatise for the specialist. It is no less a book for all those eager to learn what sound economic doctrine has to say about the great problems of our age. ◈

IDEAS ON LIBERTY

Liberty vs. Liberty

THEY MAKE a rout about universal liberty without considering that all that is to be valued, or indeed can be enjoyed by individuals, is private liberty. Political liberty is good only so far as it produces private liberty.

SAMUEL JOHNSON, *Boswell's Life*

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Overlooked Taxes—and Principles

EDMUND WILSON, a critic who can make the history of ideas as exciting as a novel, must spend practically all of his waking hours in his valiant attempt to read the whole of the world's literature from Aeschylus to John Steinbeck. Consequently, one can believe him when he says that it was a combination of neglect and ignorance of changes in the law that led to his failure to file income tax returns from 1946 to 1955. When one is immersed in the third period of Henry James, or the Dead Sea scrolls, and not making much money anyway, it is very easy to forget the significance of April 15.

The federal government, however, is not disposed to make distinctions between creative writers and delinquent heavyweight pugilists when it comes to cracking down on people for failure to pay taxes. So, though Mr. Wilson was perfectly willing to file and pay when he discovered what the law required, the harassment of a bewildered literary man began. It took two lawyers negotiating with the tax authorities five years to get Mr. Wilson's case settled—and throughout the five years the penalties and interest continued to pile up. There was, says Mr. Wilson, a bill for some $69,000, "a sum which had been arrived at by the slapping on of 6 per cent for interest and 90 per cent for penalties: that is 50 per cent for fraud, 25 per cent for delinquency, 5 per cent for failure to file and 10 per cent for allegedly underestimating my income."

Eventually, the lawyers and the income tax agents worked out a compromise settlement, and the government got a good chunk of money. But heaven alone knows how many books and articles Mr. Wilson failed to write during those five distracted years. The books and essays that Mr. Wilson didn't write represented lost royalties, and a consequent loss in revenue to the government. Furthermore, Mr. Wilson has had his lesson: as a literary man who doesn't need much money for his

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daily expenses, he promises the government that he will do no more remunerative work in the future than is absolutely necessary to keep him in food, clothing, and shelter. He thinks he can cut his earning power to a point where he will have no taxes to pay at all. Thus, our punitive tax policy negates itself.

A Narrative Delight

Mr. Wilson tells the story of his embroilment with the tax authorities in a little book called *The Cold War and the Income Tax: A Protest* (Farrar, Straus, $2.95). Like everything else that has ever come from the pen of Mr. Wilson, the book is a literary pleasure to read. Mr. Wilson is A-One at narration, and his figures of speech are always compelling. He speaks of the "two terrors" under which Americans now live – fear of the Soviet Union and fear of the income tax. "These two terrors," he says, "have been adjusted to complement one another." We are "like the man in the old Western story, who, chased into a narrow ravine by a buffalo, is confronted with a grizzly bear. If we fail to accept the tax, the Russian buffalo will butt and trample us, and if we try to defy the tax, the federal bear will crush us."

Anyone who resents the legalized injustice that is part and parcel of the progressive income tax will sympathize with Mr. Wilson as his story unwinds. But one's sympathy is one thing, and one's respect for Mr. Wilson's sense of logic is another. The minute that Mr. Wilson departs from his narrative it becomes apparent that this is not a book about taxation that is grounded in any particular principle. Mr. Wilson, as it turns out, is not against the progressive, or graduated, features of the income tax as such. Nor is he against the idea that it is all right for 51 per cent of the people to decide how the other 49 per cent shall be compelled to spend their incomes, or a large proportion thereof. Mr. Wilson is merely against majority rule in those instances in which he disapproves of what the majority decides to do. And he is only against a progressive tax when it is spent for things that he doesn't like.

He doesn't approve of collecting taxes to support our military program, for example. He doesn't think our money should be used to conduct experiments in germ warfare, or to add to our atomic stockpiles. But he wouldn't mind it a bit if the government were to use your tax money and mine to support literary men, or a national theater, or a government subsidized publishing house devoted to

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issuing the complete works of William Dean Howells, James Fenimore Cooper, Edgar Allen Poe, and Harold Frederic. And he sees no injustice in taxing a Rockefeller at a high rate and himself at a much lower rate in order to pay for cultural things, or welfare projects of one type or another.

No Objection on Principle

So Mr. Wilson's attack on the income tax is not grounded in a principled objection to the rules of the tax levying and collecting game. Mr. Wilson merely reserves the right to quit the game if and when the score happens to favor someone else.

Mr. Wilson is a first-rate scholar. He spent years on a study of the intellectual currents that produced the body of thought known as Marxism-Leninism. He can tell you the relationship of Vico or Michelet to Hegel, and of Hegel to Marx and Trotsky. He can trace lines of influence and development in modern literature from Rimbaud to Joyce. He can tell you all about the novelists of the Civil War period.

But in all his scholarly career he has never shown any particular interest in the intellectual forebears of the American form of government. John Locke, Thomas Jefferson, James Madison, and Alexander Hamilton have never really enlisted his curiosity. If he had shown one-tenth of the interest in John Locke or James Madison that he has lavished on Frederick Engels or Lenin, Mr. Wilson might have realized that once you depart from the principles of limited government and a tax system that treats every income dollar in the nation equally, you have no defenses, whether ethical or political or philosophical, against a majority decision to do anything the majority wants with a minority's upper bracket money.

In sum, what Mr. Wilson really wants is a government in Washington consisting of people of his own tastes who will use their unlimited power to levy special taxes on the rich to support things that Mr. Wilson likes. In other words, let the country be run by mandarins for the sake of mandarins.

But suppose you aren't a mandarin? I like good literature, too, but why should Yogi Berra or Sonny Liston or Joe Doakes be taxed at progressive rates to help provide me with a cheap set of James Fenimore Cooper? If Mr. Wilson can supply one good reason, I'll be willing to say that his *The Cold War and the Income Tax: A Protest* is a logical humdinger in addition to being a narrative delight.

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Mr. Wilson owes it to all of us to reflect upon his experience a bit longer. I'd like to see him lose himself for a few years in a study of the ideas that went into the making of the original American Constitution, which had to be changed by a monstrous type of amendment to permit the sort of taxation that did Mr. Wilson in.

▸ *GENERAL PHILOSOPHY* by Elton Trueblood. (New York: Harper and Row, 1963. 370 pp. $6.00).

Reviewed by Edmund A. Opitz

THE THINGS we argue about, the matters which engage us in debate, get plenty of attention – but often at the expense of the things we take for granted. There are certain axioms, assumptions, or premises which most men in a given period merely accept without so much as a second thought. Not so the philosopher. Second thought is his business; he thinks, but he also reflects on the nature of the thinking process itself.

Nearly every man is a philosopher, of sorts. Man can hardly prevent a sense of wonder from breaking into his work-a-day world now and then, and occasionally he tries to figure out how things are related to each other and to the totality of things. A philosopher is one who does this kind of thinking systematically, and the philosophic enterprise has been going on since the days of the pre-Socratics, even earlier in places like India. It is not a closed shop enterprise, but to the uninitiated it looks like a charmed circle. First exposure in a college classroom does not "take," and to get it from an average textbook in philosophy is almost impossible. Philosophy is more caught than taught, and most teachers and most textbooks do not themselves have it. So, we are on our own. But we need guidance of some sort, for no individual can frame a philosophy from scratch – any more than he can make a pencil (as Leonard Read demonstrates).

For years I have recommended *Guide to Philosophy,* by the late C.E.M. Joad, as the only worthwhile introduction I knew. This is still recommended, and it is available in paper (Dover, T297, 597 pp. $2). But an even better introduction is now at hand, *General Philosophy* by Elton Trueblood. This is designed as a college text by a sound thinker who can really write. In good textbook fashion, each chapter is a progression on what precedes it, whereas Joad writes a series of essays on the various problems and schools of philosophy. Actually, the two books supplement each other beautifully. In fourteen chapters True-

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blood introduces us to most of the major concerns of philosophy, and to a number of philosophers. His chapter 13, "Society," is inadequate, but this will not bother readers who know Mises and Hayek.

Elton Trueblood, a professor of philosophy at Earlham College, has written a number of thoughtful little books for the general public, as well as one previous textbook, *Philosophy of Religion* (New York: Harper, 1957, 324 pp. $5). This is a most helpful book to put into the hands of a college student, and it is good reading for any thoughtful adult.

These three books introduce the reader to the whole field of philosophy, after which he might like to venture more deeply into two specific branches of the subject, logic and ethics. L. Susan Stebbing's *A Modern Introduction to Logic* appeared in 1931 and has since become one of the standard texts in the field. It is now available in paper (Harper Torchbooks, TB538, 525 pp. $2.75). *The Moral Life and the Ethical Life* by Eliseo Vivas is not a textbook; it is a brilliant defense of values. A paperback edition has just appeared (Regnery Gateway Edition 6082, 320 pp. $1.95). And finally, for the commuter, an easy-to-read survey which can be picked up at your drugstore or newsstand for half a dollar: Joad's *Philosophy* (Fawcett Premier, D154, 192 pp. 50¢).

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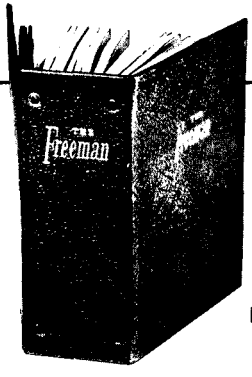

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